

THE *Freeman*

IDEAS ON LIBERTY

JUNE 1965

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LUDWIG VON MISES

THE

PROBLEM

WHY GOLD?

Because, as conditions are today and for the time that can be foreseen today, the gold standard alone makes the determination of money's purchasing power independent of the ambitions and machinations of dictators, political parties, and pressure groups. The gold standard alone is what the nineteenth-century liberals, the champions of representative government, civil liberties, and prosperity for all, called sound money.

The eminence and usefulness of the gold standard consists in the fact that it makes the supply of money depend on the profitability

of mining gold, and thus checks large-scale inflationary ventures on the part of governments. The gold standard did not fail. The governments sabotaged it and still go on sabotaging it. But no government is powerful enough to destroy the gold standard as long as the market economy is not entirely suppressed by the establishment of socialism in every part of the world.

Governments believe that it is the gold standard's fault alone that their inflationary schemes not only fail to produce the expected benefits but unavoidably bring about conditions that also in the eyes of the rulers themselves and of all of the people are considered as much worse than the alleged or real evils they were designed to eliminate. But for the gold standard, they are told by hosts of

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Further discussion of the gold problem may be found in his book, *The Theory of Money and Credit* (Yale University Press, 1953) also available from The Foundation.

pseudo-economists, they could make everybody perfectly prosperous.

Let us test the three doctrines advanced for the support of this fable of government omnipotence.

The Santa Claus Power of the State

The state is God, said Ferdinand Lassalle, the founder of the German socialist movement. As such the state has the power to "create" unlimited quantities of money and thus to make everybody happy. Irreverent people branded such a policy of "creating" money as inflation. The official terminology calls it nowadays "deficit spending."

But whatever the name used in dealing with this phenomenon may be, its meaning is obvious. The government increases the quantity of money in circulation. Then a greater quantity of money "chases," as a rather silly but popular way of talking about these problems says, a quantity of goods and services that has not increased. The government's action did not add anything to the available amount of useful things and services. It merely makes the prices paid for them soar.

If the government wants to raise the income of some people — e.g., government employees — it has to confiscate by taxation a part of some other people's in-

comes and to distribute the amount collected among its employees. Then the taxpayers are forced to restrict their spending, while the recipients of the higher salaries are increasing their spending to the same amount. There does not result a conspicuous change in the purchasing power of the monetary unit.

But if the government provides the money it wants for the payment of higher salaries by printing it, the new money in the hands of the beneficiaries of the higher salaries constitutes on the market an additional demand for the not increased quantity of goods and services offered for sale. The unavoidable result is a general tendency of prices to rise.

Any attempts the governments and their propaganda offices make to conceal this concatenation of events are vain. Deficit spending means increasing the quantity of money in circulation. That the official terminology avoids calling it inflation, is of no avail whatever.

The government and its chiefs do not have the powers of the mythical Santa Claus. They cannot spend but by taking out of the pockets of some people.

The "Cheap Money" Fallacy

Interest is the difference in the valuation of present goods and future goods. It is the discount in

the valuation of future goods as against that of present goods. It cannot be "abolished" as long as people prefer an apple available today to an apple available only in a year, in ten years, or in a hundred years. The height of the ordinary rate of interest, which is the main component of the market rate of interest as determined on the loan market, reflects the difference in people's valuation of present and future satisfaction of needs. The disappearance of interest, that is an interest rate of zero, would mean that people do not care a whit about satisfying any of their present wants and are *exclusively* intent upon satisfying their future wants, their wants of the later years, decades, and centuries to come. People would only save and invest and never consume. On the other hand, if people were to stop making any provision for the future, be it even the future of the tomorrow, would not save at all and consume all capital goods accumulated by previous generations, the rate of interest would rise beyond any limits.

It is thus obvious that the height of the market rate of interest ultimately does not depend on the whims, fancies, and the pecuniary interests of the personnel operating the government apparatus of coercion and compul-

sion, the much referred to "public sector" of the economy. But the government has the power to push the Federal Reserve System and the banks subject to it into a policy of cheap money. Then the banks are expanding credit. Underbidding the rate of interest as established on the not-manipulated loan market, they offer additional credit created out of nothing. Thus they are intentionally falsifying the businessmen's estimation of market conditions. Although the supply of capital goods (that can only be increased by additional saving) remained unchanged, the illusion of a richer supply of capital is conjured up. Business is induced to embark upon projects which a sober calculation, not misled by the cheap-money ventures, would have disclosed as malinvestments. The additional quantities of credit inundating the market make prices and wages soar. An artificial boom, a boom built entirely upon the illusions of easy money, develops. But such a boom cannot last. Sooner or later it must become clear that, under the illusions created by the credit expansion, business has embarked upon projects for the execution of which it is not rich enough. When this malinvestment becomes visible, the boom collapses. The depression that follows is the process of liquidating the errors committed in

the ecstasies of the artificial boom, is the return to calm reasoning and a reasonable conduct of affairs within the limits of the available supply of capital goods. It is a painful process, but it is a process of recovery.

Credit expansion is not a nostrum to make people happy. The boom it engenders must inevitably lead to a debacle.

If it were possible to substitute credit expansion (cheap money) for the accumulation of capital goods by saving, there would not be any poverty in the world. The economically backward nations would not have to complain about the insufficiency of their capital equipment. All they would have to do for the improvement of their conditions would be to expand credit more and more. No "foreign aid" schemes would have emerged. In granting foreign aid to the backward nations, the American government implicitly acknowledges that credit expansion is no substitute for capital accumulation through saving.

The Failure of Minimum Wage Legislation and of Labor Unionism

The height of wage rates is determined by the consumers' appraisal of the value the worker's labor adds to the value of the article available for sale. As the immense majority of the consumers

are themselves earners of wages and salaries, this means that the determination of the compensation for work and services rendered is made by the same kind of people who are receiving these wages and salaries. The fat earnings of the movie star and the boxing champion are provided by the welders, street sweepers, and charwomen who attend the performances and matches.

An entrepreneur who would try to pay a hired man less than the amount this man's work adds to the value of the product would be priced out of the labor market by the competition of other entrepreneurs eager to earn money. On the other hand, no entrepreneur can pay more to his helpers than the amount the consumers are prepared to refund to him in buying the product. If he were to pay higher wages, he would suffer losses and would be ejected from the ranks of the businessmen.

Governments decreeing minimum wage laws above the level of the market wage rates restrict the number of hands that can find jobs. They are producing unemployment of a part of the labor force. The same is true for what is euphemistically called "collective bargaining." The only difference between the two methods concerns the apparatus enforcing the minimum wage. The govern-

ment enforces its orders in resorting to policemen and prison guards. The unions "picket." They and their members and officials have acquired the power and the right to commit wrongs to person and property, to deprive individuals of the means of earning a livelihood, and to commit many other acts which no one can do with impunity.¹ Nobody is today in a position to disobey an order issued by a union. To the employers no other choice is left than either to surrender to the dictates of the unions or to go out of business.

But governments and unions are impotent against economic law. Violence can prevent the employers from hiring help at potential market rates, but it cannot force them to employ all those who are anxious to get jobs. The result of the governments' and the unions' meddling with the height of wage rates cannot be anything else than an incessant increase in the number of unemployed.

To prevent this outcome the government-manipulated banking systems of all Western nations are resorting to inflation. Increasing the quantity of money in circulation and thereby lowering the purchasing power of the monetary

unit, they are cutting down the oversized payrolls to a height consonant with the state of the market. This is today called Keynesian full-employment policy. It is in fact a method to perpetuate by continued inflation the futile attempts of governments and labor unions to meddle with the conditions of the labor market. As soon as the progress of inflation has adjusted wage rates so far as to avoid a spread of unemployment, government and unions resume with renewed zeal their ventures to raise wage rates above the level at which every job-seeker can find a job.

The experience of this age of the New Deal, the Fair Deal, the New Frontier, and the Great Society confirms the fundamental thesis of British nineteenth-century liberalism: there is but one means to improve the material conditions of all of the wage earners, viz., to increase the per-head quota of capital invested. This result can only be brought about by additional saving and capital accumulation, never by government decrees, labor union violence and intimidation, and inflation. The foes of the gold standard are wrong also in this regard.

U. S. Gold Holdings Shrinking

In many parts of the earth an increasing number of people real-

¹ Cf. Roscoe Pound, *Legal Immunities of Labor Unions*, Washington, D. C., 1957, p. 21.

ize that the U. S. and most of the other nations are firmly committed to a policy of progressing inflation. They have learned enough from the experience of the last decades to conclude that on account of these inflationary policies the ounce of gold will one day become more expensive in terms both of the currency of the U. S. and of their own country. They are alarmed and would like to avoid being victimized by this outcome.

Americans are forbidden to own gold coins and gold ingots. Their attempts to protect their financial assets consist in the methods that the Germans in the most spectacular inflation that history knows called "*Flucht in die Sachwerte*." They are investing in common stock and real estate and prefer to have debts payable in legal tender

money to having claims payable in it.

Even in the countries in which people are free to buy gold there are up to now no conspicuous purchases of gold on the part of financially potent individuals and institutions. Up to the moment at which French agencies began to buy gold, the buyers of gold were mostly people with modest incomes anxious to keep a few gold coins as a reserve for rainy days. It was the purchases on the part of such people that via the London gold market reduced the gold holdings of the United States.

There is only one method available to prevent a farther reduction of the American gold reserve: radical abandonment of deficit spending as well as of any kind of "easy money" policy. ♦

IDEAS ON LIBERTY

Multiplying the Error

IF IT BE ADMITTED that a man, possessing absolute power, may misuse that power by wronging his adversaries, why should a majority not be liable to the same reproach? Men are not apt to change their characters by agglomeration; nor does their patience in the presence of obstacles increase with the consciousness of their strength. And for these reasons I can never willingly invest any number of my fellow creatures with that unlimited authority which I should refuse to any one of them.

ALEXIS DE TOCQUEVILLE, *Democracy in America*

THE

C H A N C E

TO

ESCAPE

DONALD WALTER SHOROCK

WHEN A PERSON leaves the normal environment of our culture to serve a prison sentence, he experiences many changes. Important among these is the exchange of freedom for security. The prisoner no longer has a wide range of alternatives in his actions, but is limited to a certain extent in what he may do. He is less free, but more secure, being reasonably certain of what is coming next. The prisoner is a classic example of the man who receives security through the planning of others.

The involuntary security, being contrary to the prisoner's desire for freedom, is met by various reactions, including the attempt to escape. The Bureau of Prisons of the United States Department of Justice has tabulated the attempts to escape from the Seagoville (Texas) Correctional Institution. A definite pattern can be seen in

the 102 escape attempts between June 25, 1945 and January 1, 1960. Of these attempts, 16 were made by inmates who had served less than 30 days; 24 of the attempts were by inmates in the second month of a sentence; 20 were in their third month; 11 in their fourth; and 5 each in the fifth and sixth. In contrast with those 81 attempts in the first six months, only 14 were made in the second six months of sentences. And only seven attempts were made after the first year.

The urge to escape appears to decline significantly after the second month. The exchange of freedom for security, while undesirable and rejected at first, becomes tolerated. As can be seen in the cases of prisoners who purposely try to be recommitted to prison life, the exchange can become accepted.

When you stop to think of it, the systems offered by the various

Mr. Shorock is a speech major in his junior year at Ottawa University in Kansas.

types of government interventionists (be they fascist, communist, welfare-statist, or what have you) all make much the same offer: the exchange of freedom for security. Under any interventionist program, you give up some alternatives in your choice of actions. In exchange, you are promised security. Government interventionism is like prison.

If we carry the analogy further, we see that there is a lesson to be learned from the declining propensity to escape. The loss of freedom eventually becomes tolerated and even accepted. The likelihood that people will want to try to escape from interventionism declines as time goes by.

Persons with no desire for self-control, anxious for the security of lives planned and controlled for them by others, may view with patient resignation the prevailing trend away from freedom in the United States and in most other lands. Things are going their way.

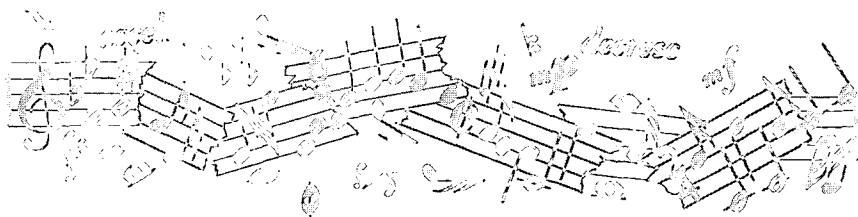
But anyone who views with alarm the growing interventionism will want to plan his escape soon. By tomorrow, or next month, or next year, he might have lost the will – and the capacity – to be free. The escape route, the path to freedom, lies in self-help, self-control, self-responsibility, self-reliance, self-improvement. And slow starters are unlikely to make it. ♦

IDEAS ON LIBERTY

An Empty Title

THE SAME LIBERAL CONSTRUCTION which is required for the protection of life and liberty, in all particulars in which life and liberty are of any value, should be applied to the protection of private property. If the legislature of a State, under pretense of providing for the public good, or for any other reason, can determine, against the consent of the owner, the uses to which private property shall be devoted, or the prices which the owner shall receive for its uses, it can deprive him of the property as completely as by a special act for its confiscation or destruction. If, for instance, the owner is prohibited from using his building for the purposes for which it was designed, it is of little consequence that he is permitted to retain the title and possession.

JUSTICE STEPHEN J. FIELD's dissenting opinion
in *Munn vs. Illinois*, 94 U.S., 113, (1877)



MUSICAL FORCED FEEDING

WILLIAM HENRY CHAMBERLIN

A VIOLATION of cultural freedom, of the right to reject as well as accept, is the sandwich type program which has become standard for most American symphony orchestras. The sandwich takes the form of beginning and ending the concert with works of general appeal by composers of the classical and romantic schools, for example, Beethoven, Mozart, Bach, Brahms, Wagner, Tchaikovsky. The sandwich effect is produced by injecting between these acceptable compositions some outpourings of more or less raucous dissonance. The only way in which musical

conservatives can avoid an undesired assault on their eardrums is to walk out in the middle of the concert, returning for the last work. They cannot dodge the musical forced feeding by arriving late or leaving early.

The music commentator, Henry Pleasants — whose little book, appropriately entitled *The Agony of Modern Music*, is a precious possession for lay music-lovers who do not like predominant trends in modern music but lack the technical training and knowledge to know exactly why — hits off this sandwich method of programing very well. Quoting the modern composer, Honegger, as authority for the statement, "The contemporary composer is a gate-crasher,

Though best known for his skilled observation and reporting of economic and political conditions at home and abroad, Mr. Chamberlin also writes knowingly as a patron of music and the arts.

trying to push his way into a company to which he has not been invited," Pleasants continues as follows:

"This penetrates to the essence of the matter. The familiar spectacle of the contemporary work sandwiched between Beethoven and Brahms exposes the gate-crasher in full silhouette. . . . It also shows the conductor's part in the conspiracy. There is Beethoven on one side to make sure that the audience comes in. There is Brahms on the other side to make sure that it does not get out before the gate-crasher has been heard."

Twelve-Tonal and Atonal

In order to understand why this musical forced feeding is an infringement on the right of individual choice one should consider, first, the predominant characteristics of modern music and, second, the distinction between hearing music, on one side, and reading literature or viewing art, on the other.

Early in this century the Austrian composer, Arnold Schoenberg, discarded previous rules of harmony and melody by writing music in the so-called twelve-tonal scale. From this innovation many other modern composers have proceeded to complete atonality. I am not qualified to give a detailed

musical analysis of the implications of these changes. But the effect is to take away from music the very characteristics which historically have provided most of its emotional and aesthetic appeal: clear and precise rhythm, ordered continuity, and the golden gift of melody.

At best, twelve-tonal and atonal music is dry and austere, suggesting an attempt to solve a difficult mathematical problem, not an appeal to the mind and heart. At worst, it produces an unbelievable chaos of clashing, discordant sounds. The Boston Symphony Orchestra — the one with which I am most familiar because of my place of residence — in an evil hour gave a "first performance" of a symphony by an American composer named David Diamond, which produced on most of the audience the effect the bullock feels from a stunning blow of the axe. To paraphrase Shakespeare, it was full of sound and fury, signifying nothing. And, as the brass sounded ever shriller discords, one felt that the situation called for two Harvard cheerleaders, one on each side of conductor Charles Munch, shouting at the tops of their voices: "Hit 'em again, Hit 'em again. Harder! Harder!"

Twelve-tonal and atonal music bears no relation whatever to the

great musical tradition, classical and romantic. Its exponents prefer discords to chords, dissonance to melody, cacophony to harmony. If it is argued that dissonance is sometimes found in the works of premodern composers, Henry Pleasants has an appropriate answer:

"The difference between dissonance then and dissonance now is that in Monteverdi, as also in Mozart and even in Wagner, the listener is excited by the clash and quieted and rewarded by its resolution in what the listener feels to be a consonance. In modern music there is no resolution. Without harmonic order there are no tonal safe havens. Both composer and listener are left as helpless flotsam on a sea of tonal discomfort."

Of course, music, like other creative arts, is subject to the processes of evolution. And the composers of the eighteenth and nineteenth centuries are individual personalities with distinctive styles. Yet, as I know from personal experience, a music appreciation broad enough to include composers of such differing types as Bach and Tchaikovsky, Wagner and Brahms, can reject, as intellectually unintelligible and aesthetically repulsive, the works composed on the basis of twelve-tonalism and atonalism.

Composer versus Audience

Because they have chosen such difficult and uncongenial forms of expression, modern composers have created a tremendous rift between themselves and the lay audience which is essential if music is to survive and flourish. So far as I know, there are no Gallup Polls on the subject of musical preferences. But there are enough ascertainable items of evidence to back up this statement, as the following list will show.

1. No opera of wide popular appeal has been composed during the last fifty years, as a glance at the Metropolitan Opera repertory will show. With perhaps one or two exceptions (and no great box-office enthusiasm for these) the list of operas presented in the 1960's could have been presented in the 1910's. There is no twentieth century Wagner or Verdi and this is more understandable because modern music, by its nature, is almost unsingable.

2. A New York radio station recently polled its listeners on their favorite composer and got the following result, as regards the first five preferences: Beethoven, Mozart, Bach, Brahms, Tchaikovsky. Not an atonalist in the lot.

3. Every year the Boston Symphony Orchestra gives a concert for the benefit of the Pension

Fund of its members. Members of its audience who do not admire discordant music wish that every program might be chosen on the basis that dictates the selection of the Pension Fund concert program, which is regularly dominated by Beethoven, Brahms, Wagner, and similar composers. If the probable financial consequences for the musicians would not be so disastrous, it would be interesting to see how many people would voluntarily pay higher than normal prices to listen to the works of Bartok, Stravinsky, Berg, Webern, and other exponents of discord. The directors are not likely to risk the experiment.

4. Consider the programs of such eminent pianists as Artur Schnabel, Rudolf Serkin, Van Cliburn, and other artists of like caliber. At least 90, perhaps 95 per cent of their selections were composed before 1900. The obvious inference to be drawn from this unmistakable fact is that pianists either do not consider contemporary works worth playing or know such works will have a repelling effect on the audience.

It is only the symphony orchestra, as a general rule, that engages in the musical forced feeding represented by the sandwich program. And they are only able to do this because they have what is essentially a captive audience.

With the wide growth of musical enjoyment and appreciation and the increase in the population, the concerts of every large orchestra are sold out by subscription in advance every season.

A Vast Difference

It may be argued that contemporary literature and art show off-beat and "*avant-garde*" tendencies and that it is only natural that music should also seek new paths. But this brings one to the point that there is an element of compulsion in listening to symphonic music that does not exist in the case of literature and art.

Suppose one doesn't believe in the popular equation: obscurity plus obscenity equals genius. One can simply ignore the books which are written on this principle. No one demands that one read *Finnegan's Wake*, *The American Dream*, and *Tropic of Cancer* as a condition for being allowed to read *War and Peace*, *The Brothers Karamazov*, and *Vanity Fair*. People who measure the impact of a novel by its number of four-letter words or intimate descriptions of sex relations can satisfy their taste. Those who have other standards can exercise their right of rejection.

This same freedom of choice, of acceptance or rejection, applies in art. If one visits one of the famous

European art galleries, the Uffizi or Pitti in Florence, the Prado in Madrid, one doesn't face a jarring contrast between the works of Raphael and Michelangelo and Titian and Velasquez on one hand, and on the other the weird "abstract" painting of the type easily imitated by a child or a chimpanzee. Modern art is reasonably housed in separate museums.

Forced Integration

But in music one enjoys no such freedom of choice. In music, alone among the arts, the pernicious dogma prevails that works of profoundly different style and content must be "integrated," presented on the same program. The psychological effect of hearing, after a beautifully melodic symphony of Schubert or Schumann, some modern experimental work that suggests a concrete mixer operating in high gear is jarring, to say the least. It is unfair to the listener of conservative musical tastes. And it is entirely unnecessary.

To dislike unmelodic music is not to be so arrogant or intolerant as to call for its suppression. All the musical conservative asks is a kind of co-existence, a system of programming that would give the nonmelodic composers as much time and representation as the conductor may believe they deserve, but not on the same pro-

grams as musical works constructed according to entirely different standards.

The writer recently had an opportunity to argue this case on a televised panel that also included Erich Leinsdorf, conductor of the Boston Symphony Orchestra, and Gunther Schuller, an American atonal composer. The reaction was surprisingly strong. I personally received scores of letters, telephone calls, greetings in public places from strangers, all favorable to my viewpoint. And on a subsequent television appearance Mr. Leinsdorf, although he did not agree with me, stated that his mail had also been strongly on the conservative side — one more proof of the gulf that yawns between the modern composer and his audience.

Homogeneous programs, two or three all pre-Schoenberg, followed by one devoted to the newer experimental forms, seem the obvious answer to the problem of how to take the curse of compulsory cacophony off symphony programs while giving full freedom of expression to the nonmelodic schools of music. When some conductor recognizes this truth and shapes his programs accordingly, hosts of unwilling listeners who have put up with Bartok and Stravinsky and Bloch and Toch and Roy Harris and David Dia-

mond and many others whose names are little known and will not be long remembered as the price of hearing the great classics and romantics will call him blessed. And the auditors who genuinely enjoy modern music — a much smaller number, one suspects, than that of those who pretend to enjoy it for fear of being considered “squares” or old fogies — could get their fill in concerts exclusively devoted to *avant-garde* compositions.

Appreciated by Their Contemporaries

Two objections to this viewpoint should be fairly stated and frankly faced. First, there is the banal cliché — which, historically, is entirely false — that truly great music is never appreciated in its own time. The truth is, and can be verified by consultation of works on musical history and biography, that there was not a single composer of the first rank who was not widely known and admired during his lifetime. The works of Haydn, Handel, Mozart, Beethoven, Brahms, Schubert, Schumann, Chopin, Liszt, Verdi, and Berlioz were widely played and enthusiastically applauded, not after their death, but while they were alive. Chopin was the toast of Paris and of other musical capitals. The new performance of a Verdi opera was an occasion for Italian national

celebration. Wagner faced more difficulties because of the scope of his operatic innovations and his exacting demands in staging. Yet, before he died, he was able to have a special opera house built according to his specifications in Bayreuth, paid for by public subscription, and to see the first of the festivals that still commemorate his works before packed audiences. Is there any living composer who would be likely to receive such a tribute?

The picture of the typical musical creative genius of the past starving in a garret and leaving a legacy of unpublished manuscripts for future generations to discover is unalloyed fiction. Henry Pleasants notes that on the occasion of the first performance of Haydn’s “The Creation” the Vienna police had to be mobilized to keep order among the crowds. And he asks whether one could imagine such an outpouring of enthusiasm at the first performance of an oratorio by Honegger or Stravinsky.

The second argument for compulsory cacophony, for musical forced feeding, is that modern composers like to have their works measured against those of the masters of the past. There would be validity in this argument if they were abiding by the same traditions and standards and trying to create music according to the

same rules of composition. But this is definitely not the case.

One could no more compare David Diamond or Lukas Foss with Beethoven and Brahms than one could compare apples with oranges. It is not merely disparity of gifts; it is total difference of style and aim.

The models of the atonalists are Schoenberg, Bartok, the later Stravinsky, Berg, Webern, surely not Beethoven, Mozart, Brahms, Wagner, and Tchaikovsky. It is against these models which they prefer that their works could most reasonably be measured.

If homogeneous programs should become the rule, not the exception, three desirable results would be achieved:

Musical conservatives would be spared the irritation and frustration of being placed under pressure, through the "sandwich" type of program, to sit through works

to which their reaction is alienation and rejection.

A comparison of audience attendance at the all-classical and all-atonal and twelve-tonal concerts would furnish an index of public appreciation of these two styles of composition. There is not much difficulty in foreseeing how this kind of plebiscite would come out.

Finally, music would be freed from its present invidious position as the only art where the right of rejecting what is unacceptable is denied, *de facto* if not *de jure*. The obvious motive of the mixed program is to coerce audiences into listening to works which they would never attend of their free will and desire.

Music that cannot stand on its own feet, on its intrinsic appeal in the market place of public taste and judgment, will not survive; and it does not deserve to survive.



IDEAS ON LIBERTY

. . . For His Own Good

IN THE CONDUCT of human beings towards one another, it is necessary that general rules should for the most part be observed, in order that people may know what they have to expect; but in each person's own concern, his individual spontaneity is entitled to free exercise. Considerations to aid his judgment, exhortations to strengthen his will, may be offered to him, even obtruded on him, by others; but he himself is the final judge. All errors which he is likely to commit against advice and warning, are far outweighed by the evil of allowing others to constrain him to what they deem his good. . . .

JOHN STUART MILL, *On Liberty* (1859)



people are not goldfish

D. M. WESTERHOLM

DURING a recent hospitalization, some imaginative friends brought me a small bowl of goldfish. Some of the nurses appeared dubious at first, but the fish behaved quietly and were allowed to remain — proving conclusively that nurses *are* human, after all.

I was amused by their golden dartings and flirting tails (the fish, that is — not the nurses) and the condescending acceptance of food and the way they would exchange stares with me while opening and closing their mouths — obviously speaking noble thoughts which I was much too stupid to comprehend. One morning, however, after their water had been changed and we had fed them their scientifically balanced diet (feeling so paternalistic and protective about the whole thing), it occurred to me that here was a way

of life deemed ideal by many humans.

You think not? Well, consider: these little denizens of the not-so-deep pay no rent or mortgages, do not have to work for their food, have all medical care provided, have no worries about old-age security, don't have to concern themselves about competition or self-protection or, indeed, accept any responsibility at all. All is provided by a benevolent master. Is this not the utopian existence so desired by millions? Plainly, for my small finny friends, the war against poverty has been won — fins down.

I'll admit that the life of a captive goldfish is not completely analogous with human paternalistic socialism, but it's close enough for some discomfoting comparisons. Some folks might ask: "What's so discomfoting about it? I should have it as good as those goldfish, and my worries would be over!" With my own worry and

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concern about the financial future, I can understand the question. The answer lies in another question, however: "What happens to my goldfish if I *run out of fish food*? Or forget them? Or drop dead?"

Those fish haven't learned survival techniques, because their environment has not demanded such learning. True, they still have the survival *instinct*, but their artificial rather than natural environment will not long support them if unattended — not even if their individual initiative and knowledge of self-responsibility and self-protection had not been atrophied by life-long disuse.

So, too, with a nationally socialized environment for humans. Sound economics, in effect, is the "fish food" of human society — essential to its life. Socialism is *not* economically *workable*. (Just ask the communists, who are somewhat clandestinely re-adopting various capitalistic methods, purely because socialism *doesn't* work.)

A government can operate at a deficit, inflating the currency, draining the internal resources of

the nation and the people, for just so long. Eventually, inevitably, it will run out of fish food. When that happens, the only hope for the citizens will depend upon their own survival efforts — individually. They will have to find, or grow, or manufacture their own "fish food."

Individual initiative, resourcefulness, full and efficient acceptance of personal responsibility — these are the tools needed for human survival outside the goldfish bowl. And these tools are not easily forged, or preserved, in the stultifying environment of paternalistic socialism or other varieties of collectivism.

I, for one, have no desire for the deceptive, dangerous, goldfish-bowl way of life. After all, people are not goldfish. People have the intelligence, the size, the physical and mental capacity to form their own environment. Why, then, should we be satisfied with an environment so precarious and dangerous as that forced upon my pretty, utterly dependent, little goldfish? ♦

BUSINESS IMPLICATIONS OF THE "NEW MORALITY"

HAROLD O. J. BROWN

"BUSINESS AND RELIGION! What does religion have to do with business? Theologians are not businessmen."

Believe that if you will, but to do so you have to ignore basic historic facts. Religious ideas have a tremendous effect on the structure of society and thus on the scope and quality of business permitted in it. What is communism itself if not a "religious" idea? It is this-worldly rather than other-worldly, but it is basically a religion, making a dogmatic assertion about the evils of private property which can never be proved but which must be taken on faith. This explains the hostility of communism to traditional religion: it is itself a competing religion.

It is not necessary to look to the communists for examples of

ways in which religious ideas directly affect the conduct of business. Prohibition and Sunday closing laws are examples from our own recent history. But over and above such specific legislation, which affects only segments of the business community, religion makes a basic contribution which is vital to business as well as to social and cultural life: the shaping of the general moral consensus.

The Moral Consensus

A society does not run on its statute laws alone. On the contrary, written laws can function only if there is a widely accepted moral consensus and if the written laws are in agreement with it. Law enforcement contributes to shaping this consensus, but religious ideas and the general moral feelings based on them make a much larger contribution. For example, there are laws against shoplifting, and supermarkets employ detectives to

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prevent it; but their task would be hopeless if there were not a tremendous moral consensus among the general population that shoplifting is wrong. If the fear of getting caught were the only deterrent, supermarkets could not keep the products on their shelves. When the moral consensus shifts, or when it is inactivated by some supposedly higher concern, as was the case with last summer's "civil rights" riots, the force of law and the presence of police is quite inadequate to prevent widespread looting and theft.

The "New Morality"

For several centuries, Western businessmen have been able to take the moral consensus pretty much as they found it, and all in all it has done them good service. It has provided an atmosphere where, in general, contracts were kept, employees were honest, and work was considered a holy duty rather than a burden to be shirked. This common heritage of Judaic-Christian religious thought, with all of its desirable effects, has been taken for granted for a long time.

Now it is under fire — and not only from the enemies of the Western world, but also from within. A group of theologians and church leaders, some of them very prominent, have for some years

been talking about a "new theology." Only rather recently have the implications of this "new theology" become clear in what is called the "new morality."¹ Right now the discussion is confined largely to academic circles — but so was the discussion of Marx's ideas in the 1890's, and things move faster in the twentieth century. To understand the trend, and its implications, it will help us to take a look at the "old" morality.

The Judaeo-Christian Consensus

The two main religious roots of Western civilization, Judaism and Christianity, have many differences, but in the moral and ethical sphere, they are agreed and together they have shaped our Western moral consensus, which up to the present time has proved so serviceable to economic progress. This consensus is typified in the *Ten Commandments*, which are important for two reasons: first, for what they are (or at least claim to be), and second, for what they say. The Commandments

¹ See Joseph Fletcher, "The New Look in Christian Ethics," *Harvard Divinity Bulletin*, October, 1959; John A. T. Robinson, *Honest to God*, Westminster, 1963; Douglas Rhymes, *No New Morality*, Bobbs, 1964. British authors Sir Arnold Lunnon and Garth Lean have spelled out the deadly implications of the "new morality" for Great Britain in their joint work, *The New Morality*, Blandford, 1964.

are important because they claim to have been given to man by the ultimate Authority; i.e., by God. For this reason they cannot be changed by men — one can accept them or disobey them, but not alter them. This “given” quality about the commandments (which theologians discuss under the headings of “revelation” or “the divine imperative”) gave a sense of stability and permanence to the moral consensus. (It is precisely this givenness which the new theologians dislike: Bishop Robinson ridicules commandments received “second hand” from God.²) Its *details* were supplied by what the commandments actually say.

Summarizing for the sake of brevity, we see that the Judaeo-Christian consensus traditionally contains at least three elements which are crucial for the functioning of our economic life: (1) reliability or faithfulness in meeting obligations. No economic system could work if every contract had to be enforced by legal sanctions. “Blessed is the man who sweareth to his own hurt, and changeth not.” (Psalm 15:4) (2) the duty to engage in productive labor: “Six days shalt thou labor and do all thy work.” (Exodus 20:9) St. Paul makes this point even more strongly when he says, “If any would not work, neither should he

eat.” (II Thessalonians 3:10) (3) and finally, there is the obligation to exercise personal concern for the unfortunate, and not leave them to the care of an impersonal state: “Lord, when saw we thee an hungred . . . and did not minister unto thee?” (Matthew 25: 44) This principle has until recently minimized the social burdens falling on the government. Economic and technological changes doubtless will increase the clamor for the state to take responsibility for the poor, the old, and the infirm; but the situation will become a great deal worse if old principles of personal and social responsibility are allowed to disappear. In fact, in many respects, the administration of welfare is already becoming increasingly burdened by the decline of the old consensus.

The Old Sanction

This Judaeo-Christian consensus was very useful to society, but it was never followed merely because it was useful. The rationale behind it was that these things were right because they were commanded by one who had the authority to say, namely, by God. Even people who were not particularly pious were often influenced by the dim suspicion that above and beyond all human laws and sanctions there was a God to

² Robinson, *op. cit.*, p. 106.

whom they would ultimately have to give an accounting. The obvious feedback from this view to practical affairs is suggested, for example, by the fact that Jesus Christ often describes this judgment in terms of a king examining his stewards' accounts. Whether or not one firmly believes in a God who will ultimately judge all men, the conviction or even the suspicion that He exists has been a very valuable factor in restraining the human tendency to unbridled self-interest. It is hard to imagine any other concept that will do the job as well.

The New Idea

Where the old morality had some positive, authoritative commandments as its starting point, the "new morality" rejects this and even ridicules it, as Bishop Robinson does in deriding it as "second hand." We must reject such ideas, he says, and form a new morality on our own. The basis for it, in the words of Prof. Fletcher, is this: "Only one thing is intrinsically good, namely, love: nothing else."³

Now love is a very fine thing, and it is the principal part of the Two Great Commandments in both Jewish and Christian thought.

³ Joseph Fletcher, "The New Look in Christian Ethics," *Harvard Divinity Bulletin*, October, 1959, p. 8.

From the traditional view, there is more to God than mere love, however: there is also holiness and justice. From the practical point of view, it is questionable whether any such idea of love will ever be as effective a stimulus to men to do their duty and to abstain from dishonesty as the old concept of a righteous Judge is. It is hard to rationalize one's way around the commandment, "Thou shalt not steal," especially if one suspects that one will one day stand before an omniscient Judge.

But if "only one thing is intrinsically good, namely love," one can always say, "I am not stealing if I am acting out of love." And indeed this theme is not only put forward, it is more or less taken for granted in much of the *avant-garde* literature of our day. But you do not have to resort to the writers of existentialist fiction; theologians will be found who advocate the idea of "occult compensation," which holds that a worker who considers himself underpaid can make up the difference without being immoral simply by taking things from his employer on the side.

According to the "new morality" nothing is ever right or wrong because of a specific commandment or principle. It is right or wrong because it is more or less loving. The implications of this for family

and sexual morality are immediately obvious, and in fact the new moralists are willing to tolerate promiscuity and even perversions if a spirit of love is involved.⁴ So far their discussion is in fact largely confined to sexual morality, but it will not be long before it spills over into areas of personal honesty (can't a lie be much more *loving* than the truth?), willingness to work, and the obligation to help those who are less fortunate. There will always be a certain amount of sexual looseness in any society, but when it becomes the pattern, it affects not only family happiness, but economic and even national survival—ancient Rome is only the most dramatic example from a history full of them.

One of the principles of the “new moralists” is that as long as sexual activity is self-giving instead of exploitative, it is morally unobjectionable, and will not adversely affect society. But the English sociologist, J. D. Unwin,⁵ and more recently our own Pitrim Sorokin,⁶ have shown that a high level of social energy and productivity in society is rapidly under-

mined by the spread of sexual looseness. This does not need to be proved from ancient history, for the Soviet Union, which permitted a great deal of sexual looseness following the Revolution found that this was destructive of social values, and has subsequently retrenched and become more “Victorian” than any Western country.

Implications for Business

Business is not directly dependent on religion, but it is certainly dependent on the moral consensus to which religious ideas contribute so greatly. Thus, the “new morality,” which at the moment is more or less confined to the college campuses and theological seminaries, has frightening implications for our whole social order. Business and professional men, with rare exceptions, are not theologians or preachers, and they are not expected to be. But the vast majority of men who have accomplished something of value have done so only because they have a certain moral integrity, at least enough to enable others to trust them and to be influenced by them. This integrity is compatible with the old Judaeo-Christian moral consensus, and wins support and praise from it (quite apart from whether the men in question are believing Christians or Jews), but it cannot survive

⁴ Thus Douglas Rhymes in *No New Morality*, following *Towards a Quaker View of Sex*, permits homosexuality, and H. A. Williams praises prostitution.

⁵ *Sex and Culture*, Oxford, 1934.

⁶ *The American Sex Revolution* (Extending Horizons Book), Sargeant, 1957.

and co-exist with the "new morality." Businessmen converted to Christianity in a society where Judaeo-Christian principles have not been part of the consensus frequently complain of the tremendous difficulty of trying to live by these principles in a society which does not recognize them. In the twentieth century it does not take long for an academic fad to become universally accepted, and this is what will happen with the new morality, which is so pleasant, so agreeable, so easy to take, and so little demanding — if it is not checked.

A Counter-Measure

Business and professional men cannot be expected to herd their colleagues and employees into religious meetings to check this problem. Religion is seldom very convincing when it is advocated as a means to an end. Nevertheless, short of a national religious revival, there is something which individuals can do: they can decide where they stand on moral issues, and make it clear, gently but firmly, to those about them. When Joshua was leading the Israelites into the Promised Land, he was faced with a mutiny. He gave the people freedom of choice: "Choose you this day whom ye will serve," but at the same time—and this is crucial—he gave

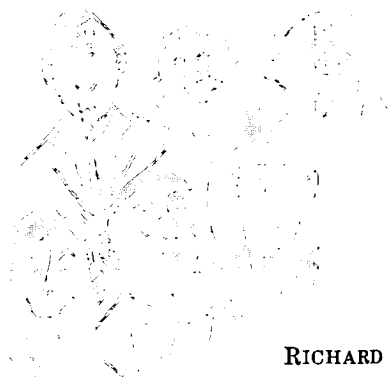
a clear statement of his own position, "but as for me and my house, we will serve the Lord." (Joshua 24:15)

One of the saddest stories to come out of my own work with college students was told by a psychiatrist on the Harvard faculty. He had as a patient a college girl, the daughter of a well-known surgeon. Troubled by the temptations to moral laxity all about her, this girl wrote to her father asking what he thought of pre-marital intercourse. His reply went like this: "My dear, you will have to make up your own mind; if you decide in favor of it, let me recommend a doctor who can supply you with the necessary contraceptives." The psychiatrist's comment was brief but apt, "That's a h— of a thing to tell your daughter." The girl had freedom of choice, indeed; but she had asked her father for his *convictions* on the subject, and he evaded the question. Perhaps he had some, perhaps he had none, but in any case the daughter had the right to an answer instead of an evasion. It was left to the psychiatrist, then, to help her achieve a worth-while set of values where her own father had left a vacuum.

In the moral ambiguity of the present day, which is being rendered more and more desperate by the "new morality," evasive-

ness of people who do have standards is not modesty; it is an abdication of responsibility and a real crime against the rising generation. Like Joshua, we must recognize that freedom of choice exists, but like him, we must have the

courage and principle to say, "but as for me and my house . . ." And we must finish that sentence and take our stand, not in pious humbug, but in the full honesty derived from moral strength and conviction. ♦



INEQUALITY-- a Blessing

RICHARD T. SCOTT

OUR INHERENT inequality is a national blessing. It is not a curse to be exorcised as many moderns would suggest! Unhappily, we Americans have forgotten the source of our greatness as a nation. We achieved a singular place in the family of nations by providing an environment which allowed man to reap the harvest from the unfettered function of his *unequal* capacities. When people are left free to function to the limits of their abilities, the most able rise to the top and, of

course, that means the least able filter downward. This is human *inequality* at work.

Diversity of natural endowments amounts to human *inequality*. On the other hand, it is imperative that treatment under the law be completely impartial or equal, for it provides optimum conditions for the full realization of our individual and very *unequal* inherent capacities. Accordingly, when our *unequal* human characteristics such as intellect, ambition, and physique operate in a free society whose laws provide equal protection for all, vastly

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unequal rewards must result. This, though it may be a bitter pill to swallow for some of the more militant "people manipulators," is perfect justice.

Granted, it means some will become millionaires and some will be paupers. Some will achieve, create, and produce; others will barely exist, creating nothing, and producing next to nothing. How is this perfect justice? What could be more just than a man receiving rewards proportionate to his mental and/or physical labors? The tradition of getting out of life what one puts into it has been the keystone of the American concept of justice, both written and tacit — at least until recently.

Some may claim that, if this is justice, it is a cruel justice. Can true justice ever be cruel? It may be harsh at times, but can it be cruel? If by cruel one means impartial, there can be no argument. It is true that in a pluralistic society, whose members have varying degrees of talent, those who have limited ability will reap limited rewards. It should be glaringly apparent, however, that it *would* be cruel if reward were determined by any other standard. And no one could argue that our system of justice is cruel if we define cruel to mean "desirous of inflicting pain and suffering." The pain and suffering exist, but not

as a result of conscious effort on the part of more handsomely endowed humans.

Man-Made "Justice"

While nature's justice may cause suffering, this is to be distinguished from the man-made suffering brought on by social reformers in their version of the "just society." The "justice" of the "people manipulators" is a meaningless concept, for it lacks the opposite values of good and bad rewards and all those which fall somewhere between the two extremes. Justice *demand*s appropriate and commensurate reward!

In one very real sense we feel compassion for those less fortunate than we, but we do not feel guilty. Yet this brings cries of righteous indignation. They accuse us of not caring for our less fortunate brothers and remind us that tax money used for welfare purposes, for example, does not seriously hurt the taxpayer and certainly it goes for a just cause.

True, it may not cause serious harm to the taxpayer. It is not true, however, that such use of tax money is a just cause. No cause is just if it rewards someone solely for his need. And for this reason, while the taxpayer is not always seriously harmed (though he sometimes is), he is always wronged. There are those

who claim that the needy are deserving of our support. How so? To be deserving implies the right to some form of reward. Suffering, pain, poverty, no matter how distressing, do not entitle people to the fruits of other citizens' labors. It should, therefore, be obvious that the suffering of others does not obligate the more capable individuals to provide any sort of aid to those in distress. They may wish to help, but they are not obligated.

If we allow that the more fortunate are obligated to help the less fortunate, we are, in essence, saying that the less fortunate have a blank check on the resources of those who are better off. Under such a moral code the only person with a clear conscience is the one who has nothing — mental, physical, or material. He can feel secure, secure in the knowledge that there is no one less fortunate than he to be obligated to. This is evil of the most debased kind. What is even more evil is that it robs man of his capacity to be charitable. How can one express his concern for unfortunates by offering material and inspirational gifts if the "haves" are obligated either by law or custom to give to the "have nots" who, of course, deserve these gifts?

We must be willing to pay the price of responsible individual

freedom. And a nation is not free if its citizens are not free — free to choose whether or not they want to spend their money on a cause that others feel is good. Only when the individual is free can he exist as a truly moral being. If moral choices are not his to make, they cease to be moral for him. As he gradually surrenders the responsibility of making moral and ethical decisions, these decisions are then assumed by the state. Man as a superior being ceases to be. He is reduced to a lower level of life, a lesser being of conditioned reflexes and programmed responses. He has adapted to an environment which he is no longer capable of shaping in even the slightest measure. All this in the name of social equality.

Progress — or Mediocrity?

Now to the point of our argument. We suggested earlier that *inequality* is a blessing. That it is! Society could not have been more blessed than to have each of its members diversely endowed, both qualitatively and quantitatively. The individual differences among us have been responsible not only for man's ills, but for his great scientific, social, philosophic, artistic, and economic progress. Progress in these areas has been fantastic in countries which have

a great deal of personal freedom; infinitesimal in primitive, totalitarian, and collectivist societies. Where individual liberty prevails, man is free to satisfy his ambitions, limited only by his own capacities. He is free to create and produce. Where this happens, everyone benefits.

In the United States, where individual freedom has resulted in the highest productivity in the history of the world, even the poorest among us would attract envious looks from the majority of the population in such countries as India, China, Bolivia, and too many others to mention here. Our poor are, with few exceptions, poor only in relation to our own national abundance. So long as enterprising and creative Ameri-

cans are allowed freedom to practice their *unequal* talents we will all benefit. Bring the exceptional down to a median level in an effort to raise the living standards of the below average and we all suffer. Where would we be if we had brought Edison down a peg — to a level of mediocrity; if we had hamstrung the Wright brothers, Henry Ford, and thousands of others who possessed talents superior in some respect to those of the average American?

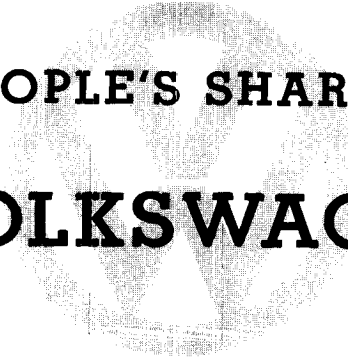
Reduce American incentive to an average or *equal* level and you will have an average or mediocre America — all of us *equally* mediocre. Our inequality has made us what we are, and conversely, imposed equality can break our spirit, and our nation. ♦



Possessed

We do not take possession of our ideas
But are possessed by them.
They master us and force us into the arena
Where, like gladiators, we must fight for them.

HEINRICH HEINE (1797-1856)



"PEOPLE'S SHARES" IN VOLKSWAGON

WELLINGTON LONG

BY CAR, bus, train, and bone-cracking motorscooter, they plunged toward a village in Northern Germany that bright summer day, running with the fever of men heading for a newly discovered gold field.

The analogy was apt, or so many thought, for they were owners of "People's Shares" which had trebled in price since issuance six months earlier. Now they were gathering for their first shareholders' meeting.

When all were jammed inside a factory hall in Wolfsburg, they numbered 7,000 of the new owners of the great Volkswagen concern, West Germany's and Europe's largest automobile maker, which the state had just sold to

the people. It was the largest shareholders' meeting ever held anywhere.

In later years, the crowd at the annual meeting has dwindled to about 3,000. But the popularity of "People's Shares" in Volkswagen and other former state-owned enterprises is undiminished, and the West German government intends to sell quite a lot more of its industrial holdings.

Ludwig Erhard, who guided West Germany's economic destiny for 14 years before he became Federal chancellor, summed up the government's hopes for its "Property for All" program in these words:

"It is hardly an exaggeration for me to say that now the era of the class war can finally be considered as having been over-

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come, and a new socio-political image is recognizable according to which the care, the improvement, and the expansion of productive capital is no longer the duty of the entrepreneur alone, but the concern of all citizens.

"If also the wage and salary earner and the small saver is better able to recognize that their fate, their social security, and the future of their children depends on the maintenance of our productive powers, then it must almost inevitably lead to a change of attitude, in the sense of a higher consciousness of responsibility of the individual for the whole. And that appears to me to be the best basis for any democratic order."

State Ownership

The conviction that German workers were hostile to the idea of owning property, other than perhaps their home, was widely held until the mid-1950's. Despite the disastrous experiences of state ownership in Britain, many Social Democrats still believed that nationalization of basic industries would insure economic prosperity and democracy.

But it was clear from the way the votes were being cast in parliamentary elections that a considerable number of workers had become disenchanted with Social

Democratic dogma. The "social market economy" ideas developed by Erhard, as Chancellor Konrad Adenauer's Minister for Economics, showed more results than the socialistic theories adopted in neighboring countries. The Social Democrats found themselves in a minority even in their traditional strongholds in the industrial Ruhr region.

Some of the men who supported Adenauer and Erhard thought "Christian Democracy," as they styled their philosophy, ought, however, to go beyond simply providing wage earners with a relatively high standard of living. They also were concerned over the dominant position the government had inherited in certain manufacturing industries as well as in mining and electricity. As the legal successor to the Third Reich, Bonn had acquired several billion marks' worth of enterprises which the Nazis had seized or created or inherited from earlier regimes. A few visionaries wondered if they couldn't put the little man in business while, at the same time, take the government out of it.

Hermann Lindrath Calls Turn

One such man was Hermann Lindrath, a banker and municipal administrator from Halle, in

what is now communist-controlled East Germany. Lindrath learned politics in the twenties, working alongside Gustav Stresemann, the leading liberal of the day. As Chancellor and Foreign Minister, Stresemann's attempt to bring political and economic democracy to Germany failed before the aggressive tactics of the extremists.

From 1945 to 1951, Lindrath stayed on in Halle, trying to work with the Russians. First in the city administration, later as a tax consultant, he experienced at first hand the mass expropriation of manufacturing firms and the deliberate ruination of small businessmen, and watched the sluggish efforts of the economy to wade through a swamp of state control. What he endured there convinced Lindrath that collective ownership is a sham, and inefficient. When his position in Halle became untenable in 1951, he fled to West Germany. There, he was elected to the Federal parliament in 1953, as a member of the Adenauer-Erhard party, and in 1957, was appointed Minister for Federally Owned Property.

Ideas into Practice

In his new job, Lindrath saw a chance to put his theories about individual ownership into practice. Chancellor Adenauer's government policy statement of October 29,

1957, promised "a wider distribution of the ownership of productive means." Lindrath told parliament "this socio-political goal is based on the experience of the past, in which the creation of private property, the aspiration for individual ownership, for personal property, the desire for an independent existence has been shown to be the main driving force behind the revival of the German economy."

With Germany moving into the Common Market, Lindrath argued, it was foolish to believe the government should continue to own manufacturing properties in order to influence price levels. "That," he declared, "is the function of competition in a free economy." Domestic prices depend on world prices, he pointed out, and a rise in German prices resulting from increased raw material prices on the world market could hardly be blocked by Federally-owned enterprises.

The government's holdings were organized as joint stock companies. Lindrath proposed to sell some or all of the shares of each to company employees or other low-income groups.

He was entering unexplored territory when he offered shares in the PREUSSAG (Preussische Bergwerks und Huetten AG) on March 24, 1959. PREUSSAG employed 20,000 persons in the ore,

coal, oil, and potash industries, and had an annual turnover of 800 million marks (\$200 million). Lindrath offered 30 million marks (\$7,500,000) of shares, about one-third of the total, to the public.

60,000 Anticipated, 200,000 Applied

Even Lindrath was astounded at the reception his scheme received. "We anticipated 60,000 buyers," he said. "More than 200,000 signed immediately the lists were opened."

The demand was so great that Lindrath promptly offered another 52 million marks (\$13 million) of PREUSSAG shares for sale, so that the government wound up holding less than 25 per cent of the shares.

Only persons with annual incomes of less than 16,000 marks (\$4,000) — about 50 per cent more than a production line worker earns — could buy PREUSSAG shares. None could hold more than 1/100th of the total issue, a provision thought necessary to prevent speculators from gaining control of the company.

Lindrath kept part of the shares in the government's hands so it could gather experience. But he promised the remainder would be sold soon, too.

More confident than ever, after this initial success, Lindrath expanded his philosophy.

"True freedom," he declared, "is unthinkable without property. The possibility to dispose over personal property in its various forms assures the individual greater security and greater independence of the vagaries of life than the Federal constitution is capable of doing. And it provides the basis for a special tie to and responsibility for the state and society.

"Beyond that, experience teaches us that there is no real freedom which is not spiritual freedom and at the same time material freedom. Freedom merely as a right guaranteed by the constitution is not real freedom as we understand it. The Federal constitution alone is incapable of making men free in the exercise of their daily lives. Constitutional freedom requires a foundation, and we want to create this by making the Germans a people of property owners.

"But only if the shares come into the hands of those who so far have had an insufficient share of the economy's productive capital can this be considered progress along the road from class war to responsibility... The class warrior of the past shall become an economic citizen."

The most obvious property for the government to sell next was the Volkswagen works. Hitler had

wanted a "People's Car" and tens of thousands of trusting Germans had paid their money to his "Labor Front" in anticipation of the day cars would roll off the lines in the sand hills of Lower Saxony for civilian instead of for military use.

"People's Shares"

After the war, the Federal government in Bonn and the Lower Saxony state government became joint owners. Volkswagen now had annual sales of almost five billion marks (\$1.2 billion), and was turning out 4,200 cars and trucks every day. A third of all new cars registered in West Germany each year were Volkswagens. They were a major export item and earner of dollars and gold. It was the hottest automotive property in Europe. And Lindrath reasoned that the factories making the original "People's Car" ought also to be owned by the people.

Lindrath died before the deal was closed. But his successor proposed that of Volkswagen's 600 million marks (\$125 million) capitalization, the government sell 60 per cent or 360 million marks (\$90 million) in "People's Shares." The Federal government and Lower Saxony state government would each retain 20 per cent.

"People's Shares" in Volkswag-

en would have a nominal value of 100 marks (\$25), but be sold for 350 marks (\$87.50). The rule prohibiting sales to anyone earning more than 16,000 marks (\$4,000) a year was retained. But married men earning less than 12,000 marks (\$3,000) per year would be given a 20 per cent "Social Discount."

Again the government underestimated the popularity of the scheme. It announced buyers would be limited to five shares each. But just as fast as the banks and brokers could record their names, 1,547,000 persons subscribed for shares. After some fast reckoning, the government announced each subscriber would get two shares, and the right to participate in a drawing for a third share. About one-third of the subscribers received a third share.

The day after the shares were issued, their price was quoted on the official exchanges. Within a week, they had doubled in price. Dealing in Volkswagen shares or at least following the course of their prices in the newspapers, said one commentator, "has become the national sport." By May, 1961, about two months after the shares were issued, they hit their peak of 1,108 marks (\$277), 3½ times their original price.

That first giant shareholder's meeting conducted by VW Gener-

al Director Heinz Nordhoff went off admirably, allaying the fears of those who thought it would be impossible for a crowd of that size to conduct business. A little later, he raised the price of the "beetle car." The daily *Welt* of Hamburg cartooned a cloth-capped worker looking at an announcement of the price increase, and explaining, "As a trades-union man I oppose it, but as a shareholder I approve it." Sales climbed steadily despite the price hike. But suddenly, public confidence in the Volkswagen shares faltered. Prices of the shares slipped, sagged, then nose-dived. On May 29, 1962, henceforth known as "Black Tuesday," the price hit bottom at 492 marks (\$123).

But it bounced, and by the time 3,000 shareholders gathered for their second meeting in July of that year, had again reached 550 marks (\$142.50). In the years since, public confidence in Volkswagen shares has never wavered, and it has been among the steady leaders on the exchanges.

Most significant to the men who followed in Lindrath's footsteps, however, was the tenacity with which original buyers hung on to Volkswagen shares. Four years after issue, 60 per cent of the first buyers still own their Volkswagen paper. And almost overnight, the nation had acquired two million new shareholders. In 1960, only 3

per cent of West German households owned shares. Three years later, the figure was 7 per cent, on a par with the United States, and is believed now to be even greater.

Other Sales Projected

Trades-union leaders still argue against the "People's Shares" scheme, proposing instead that "excess profits" be siphoned off large corporations — both public and private — into a special government-managed investment fund in which workers could buy non-voting stock. Probably because of official trades-union opposition, only 43 per cent of the PREUS-SAG employees bought shares in their company. But factory workers were soon infected by the general enthusiasm, and 97 per cent of Volkswagen's hands ignored the union's exhortations and bought company shares.

This summer, the government will sell "People's Shares" in the VEBA (Vereinigte Elektrizitaets — und Bergwerks AG), a government-owned stock company capitalized at 450 million marks (\$112.5 million).

Among other things, VEBA produces 10 per cent of West Germany's electricity and 9 per cent of its coal, and last year paid a 10½ per cent dividend, so its shares are expected to be hotly pursued. Initially, the government

will sell 100 million marks (\$25 million) of VEBA shares, but is prepared to let go another and equal amount if the demand is great enough.

And there is more being made ready for sale. Werner Dollinger, the Bavarian food wholesaler and and kiln owner who is now Minister of Federally Owned Property, reports the government still owns industrial properties with a nominal value of four billion marks (\$1 billion), and an annual production of 14 billion marks (\$3.5 billion), including 28 per cent of the nation's coal production, 30 per cent of its shipbuilding, and 74 per cent of its aluminum production.

The Debate Continues

The Social Democrats contend the "People's Shares" give an illusory sense of ownership. In parliamentary debate on the VEBA bill, Social Democrat Georg Kurlbaum—himself sole owner of a Nürnberg electronics manufacturing firm—said it was foolish for a government to be at the mercy of shareholders in determining such sensitive matters as power rates. "Only in a minimum of cases," Kurlbaum contended, "does the small shareholder actually control the way his vote is cast. Large banks hold proxies for most of the small shareholders

and the bankers actually vote." A more democratic system, he said, is for the government to be the sole owner and let the parliament representing all the people decide or supervise company policies. "We believe that properly used, Federal enterprises can contribute to smoothing out economic bumps, to slowing the tendency of prices to rise and to improve competitive conditions," Kurlbaum declared.

Anyway, the Social Democrat asserted, a wage earner doesn't want a voting share in a company as much as he desires security against creeping or sudden inflation.

Minister Dollinger challenged Kurlbaum's every point. In the first place, he said, the government was concerned at the growing concentration of capital in the hands of the state and a few private entrepreneurs. Concentration of production was perhaps inevitable and necessary in the modern world, but the government wanted to balance that process by deconcentrating capital ownership.

To Kurlbaum's anxiety that big bankers actually would control shareholders' votes, Dollinger said the government would insist that shareholders granting proxies state how they should be voted on each item of the annual meeting agenda.

The Social Democrat had said that for reasons of national defense, the government should maintain important holdings in the basic industries. But Dollinger believed that "precisely in such an important area as defense requirements, a healthy competition of private companies for state contracts is in the best interests of all participants."

Dollinger also objected to appropriating funds when state-owned corporations require fresh capital.

"Public monies, whether they come from the Federal, state, or municipal budgets," Dollinger declared, "are always tax monies. To use tax monies to fill the capital need of a Federally-owned undertaking means nothing less than to make the citizen poorer, while making the state richer and more powerful."

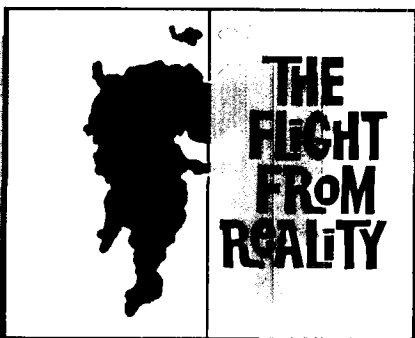
"The Federal government opposes such a solution," Dollinger reasserted. "Without personal, freely disposable property, the preservation of our personal freedom against collectivism is in the long run not possible."

"Free disposability is not ex-

hausted in that one is able to sell his property at any time. Rather it also must include a right of co-determination, which makes the people's shareholder a co-entrepreneur. As a matter of principle, therefore, 'People's Shares' are provided with a complete vote.

"Above all, we believe a man who owns something thinks differently than a man who does not. A man thinks and reacts with more responsibility when a decision involves his own property."

Even though some critics suggest that many of the shareholders at the annual Volkswagen meeting are merely harassing the directors instead of sharing in decision-making, Erhard and Dollinger really believe a change in the attitude of newly propertied workers is apparent whenever strike votes are called by the unions during wage contract negotiations. By Erhard's lights, shareholder-workers demonstrate more responsibility. The government admits the battle isn't won yet, but is confident of eventual victory in the contest between collective ownership and individual property. ♦



9. The New Reality

CLARENCE B. CARSON

[T]he characteristic mood of our own age [is] that the historical condition determines the human situation. Man's existence is history; or "life and reality are history, and history alone," as Croce said.

—HANS MEYERHOFF, 1959

From the perspective of the post-Second World War era, the work of the generation of the 1890's can be viewed as a "first attempt" at accommodation to a "new conception of reality." . . . In this process of concession and adaptation, the "activity of human consciousness" for the first time became of paramount importance.

—H. STUART HUGHES, 1958

We invoked what we believed to be the three constitutive facts in the consciousness of Western man: knowledge of death, knowledge of freedom, knowledge of society. . . . The third revelation came to us through living in an industrial society. . . . It is the constitutive element in modern man's consciousness.

—KARL POLANYI, 1944

IT HAS BEEN SAID that man is incurably religious. It may be said with equal validity that man is incurably metaphysical in his thought processes. The flight from reality of intellectuals commenced with the cutting loose of ideas from their foundations in an underlying order. This was an attempt to slough off metaphysics,

for metaphysics is the philosophical study which treats of the underlying order. In the course of time, it became (and still is) commonplace in intellectual circles to denounce conceptions — any that happened not to be considered worthy of consideration — as being "metaphysical." In short, metaphysics was laughed out of court; scorn and abuse were heaped upon this mode of thought.

Pragmatists boldly proclaimed a philosophy that was supposed

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to be shorn of metaphysical assumptions. They proposed to operate upon a basis of continuous experimentation to find successful methods within an ever shifting context. Rigorous adherence to pragmatism, however, would result in some surprises for pragmatists. They would begin to discover that there are regularities, that actions essentially the same will result in predictable consequences.

In brief, if the pragmatists adhered strictly to their method, they would begin to acquire knowledge. If they probed a bit deeper, they would discover that there are laws which account for these regularities and predictabilities. At the point that they discovered and believed in laws and principles they would return most likely to a truly metaphysical outlook.

In general, this has not happened. It certainly has not happened among ameliorative reformers, and these generally like to think of themselves as pragmatic. The reason is not far to seek. At the time of the setting forth of pragmatism, thinkers were already coming under the sway of a "new reality." This new reality was based upon assumptions which served in lieu of and could be used in somewhat the same manner as metaphysics. This is not to say that the conceptions

were indeed metaphysical. There is no need to corrupt the language by so denominating them. Rather, they served in this capacity; they rested upon conceptions of an underlying order. Explanations were made in terms of this "order." Pragmatism became largely a philosophy to justify the expediency of men operating on the basis of the "new reality."

Though the conceptions drawn from this new reality are used metaphysically, the fact is not generally recognized. Moreover, they are not subjected to rational examination. The decline of philosophy and the growth of irrationalism have made this state of affairs possible. Even ideologies in America have not usually been explicit. In consequence, assumptions have to be deduced from casually thrown phrases and the fag ends of ideas which one encounters. Still, the conceptions are there.

Three Basic Constituents: Change, Society, and Psyche

There are three basic constituents of the "new reality." They are: *change*, *society*, and *psyche*. These are not separate realities but interrelated parts of a single reality. Historically, each of them, as a metaphysic-like entity, can be traced back to its origins in nineteenth century European

thought. Change was "reafied" in the thought of Hegel, Marx, Spencer, and Darwin. Society was "thingified" by a line of thinkers that includes Burke, Comte, Marx, and Mosca. Psyche began to assume its modern proportions for Schopenhauer, Nietzsche, Freud, Adler, and Jung. These ideas were picked up and extended by such Americans as Frederick Jackson Turner, James Harvey Robinson, William Graham Sumner, Charles A. Beard, Lester Frank Ward, John Dewey, William James, Thorstein Veblen, and Oliver Wendell Holmes, Jr.

The story of this transmigration of ideas — of Americans traveling to Europe, of their becoming enamored particularly with German thought, of the visits of European scholars in America, of the founding of schools in America based upon European ideas — is much too extended and complex even to be summarized here. Suffice it to say that such events occurred, and that American thinkers frequently followed paths very similar to their European counterparts. As a result of this interchange, American intellectuals embraced and expounded a "new reality."

Three sorts of explanations can be made from the vantage point of this new reality: historical, sociological, and psychological.

Three specialized intellectual "disciplines" were developed in the nineteenth and twentieth centuries to make these explanations: history, sociology, and psychology.

History a Tool for Change

Of course, history was not new to the nineteenth century. It had been consciously written since the time of Herodotus in ancient Greece, and had in fact been written and told long before that. Students had studied and learned it through the ages — but not as a separate "discipline." Prior to sometime in the nineteenth century, students learned history as a kind of bonus from the study of literature or "grammar," and men read and wrote it as the spirit moved them to do so. There was no distinct profession which had history in its keeping or was responsible for it. In the course of the nineteenth century, the study and writing of history was specialized and professionalized. And, as we have seen, in the early twentieth century the older history was defamed and a New History advanced. History was cut loose from its foundation in an enduring order and turned into an instrument for reshaping the society for the future.

There was no problem of re-making sociology. There had been no such study or discipline for

traditional scholarship. It was only developed after some thinkers began to believe in the reality of society. Its founding is usually ascribed to Auguste Comte, but it can be traced through a host of thinkers in its development. At any rate, sociology became the "discipline" to deal with society.

Psychology was a traditional study; it was a branch of philosophy historically. It has already been noted that the house of philosophy fell apart in the wake of the labors of Hume and Kant. Even so, psychology had to be wrested from the hands of philosophers who tried to cling to it before it could be "independent." The assault was upon introspective psychology (which was, in turn, innate psychology), and the effort was to make psychology scientific, or so its proponents claimed. The New Psychology was shaped by Wilhelm Wundt, Sigmund Freud, William James, John B. Watson, and others. Many different schools of psychology emerged, but they all shared a common faith in the New Psychology.

The initial effort, then, was to make history, sociology, and psychology separate intellectual disciplines, to get them recognized as a part of the curriculum of education, and, usually, to get them recognized as sciences in their own right. But in the twentieth

century there has been a considerable movement to "integrate" these studies. Those who want this have probably had their greatest success in the public schools, where, in some instances, they have been merged into social studies courses. But where they have retained some separation, as is usual, a great deal of "integration" has taken place. For example, sociological and psychological explanations now pervade much of the writing of history. There is a kind of inherent logic to this movement to merge these studies. If they could be joined, a New Philosophy might emerge to deal with the "new reality." Actually, of course, this New Philosophy has already emerged and is used to make explanations of developments. Such explanations are, of course, historical, sociological, and psychological.

All Social Science Affected

It may be objected at this point that history, sociology, and psychology do not deal with the whole of reality for contemporary intellectuals, even if they are supposed to deal with part of it. There are, after all, a great many other studies and approaches to learning. The above named do not even include all of the "social sciences." What of economics, of political science, of anthropology? It is in

order to point out that these have been historicized, sociologized, and psychologized, if one may employ somewhat facetiously a barbarized language. Note that this is precisely what Thorstein Veblen did to economics. My impression is that European economists regularly write in a way that we would call sociological. The critic may observe that the economic tail often wags the sociological dog in practice. This is only a surface observation, however, for economics is first permeated with sociological assumptions. Economic determinism, for example, is a sociological or psychological, not an economic, idea. As for political science, it is usually filled to overflowing with the above ideas. Anthropology is largely the result of the application of historical, sociological, and psychological methods to the study of primitive societies.

That group of studies known as the humanities may be disposed of quickly. Language has come to be thought of increasingly as an "instrument of communication." Literature is not only arranged chronologically but quite often taught historically. Philosophy, deprived of its content (except the *history* of philosophy and a few esoteric subjects such as ethics and esthetics) has tended to wither on the vine. My main point,

however, is that the humanities — or rather, those who teach and speak for them — do not speak authoritatively of any reality other than the historical, sociological, and psychological.

But surely, it may be argued, contemporary thinkers believe that the material realm, that realm with which the sciences are supposed to deal, is real. It is frequently asserted, by those who disagree with them, that reformist intellectuals are materialists. Nothing can be more readily demonstrated than their perpetual concern with material things, with better housing, with better diets, with higher standards of living, and so on. Yet these things are not real, in the sense we have been employing the word, to reformists. The natural world has no enduring form which would make it real. It is something brute, to be made over according to human will. The sciences are instruments to this end.

Pseudo-Scientific

Actually, the sciences have not been subdued as yet to this new conception of reality. The specialization that has occurred there plus the complex techniques now employed, make them largely *terra incognita* to nonscientists. The "social sciences" were born out of a desire to make the study of so-

cial phenomena scientific. Pragmatism was a more general application of an abstracted scientific method. The respect for the Sciences (personified) has continued, but there has been much talk of bringing them under control. But the sciences, too, have been largely severed from their philosophical roots; and since they are restricted to the world of nature, they pose no real threat to the "new reality." If and when reformist intellectuals achieve social controls, they are, of course, in control of scientists, too.

The sciences have played a duel role within the framework of the "new reality." In the first place, they are instruments for reshaping the physical environment to the needs and purposes of man. Second, they provided the method which was to be used for reshaping society and man. Lester Frank Ward, the American catalyst for so many of these ideas, stated the matter bluntly:

... We saw in the last chapter that most individual achievement had been due to invention and scientific discovery in the domain of the physical forces. The parallel consists in the fact that social achievement consists in invention and discovery in the domain of the social forces. . . .

If we carefully analyze an invention we shall find that it consists

first in recognizing a property or force and secondly in making material adjustments calculated to cause that property or force to act in the manner desired by the inventor. . . .

Now the desires and wants of men constitute the forces of society, complicated, as they are in the higher stages, by the directive agent in all its manifold aspects. *Social invention consists in making such adjustments as will induce men to act in the manner most advantageous to society.*¹

The story of the deactivation and instrumentation of the sciences deserves a separate chapter, or book. It was one of the most momentous developments of the modern era. Unfortunately, it must be reduced here to a few sentences. The sciences were once conceived as a method for getting truth about the universe, truth which provided a key to the purpose of God for man.² So conceived and employed, they provided much information about an underlying order in the universe. Techniques were instruments, within this framework, for the discovery of truth.

¹ Lester F. Ward, *Pure Sociology* (New York: Macmillan, 1909, 2nd edition), pp. 568-69. Italics mine.

² See Edwin A. Burt, *The Metaphysical Foundations of Modern Physical Science* (Garden City: Doubleday, an Anchor Book, 1954), *passim*.

But in the course of the nineteenth century, intellectuals (and everybody else, I suspect) began to confuse science with technology. When science came to be identified with technology, it had been "instrumented"; its truths became important as they were renderable into techniques. By the middle of the twentieth century, there was much voiced concern about the need for a revival of "pure" research. The justification was that this would lead to the discovery of laws which would, in turn, be renderable into techniques for technological purposes. In short, the sciences had become the handmaidens of technology.

The point of this discussion needs to be spelled out so that misunderstanding will be avoided, if that is possible. Nothing said is intended to disparage technology or to deny the connection between the sciences and technology. (Benjamin Franklin felicitously demonstrated the connection between science and technology around 200 years ago. He reasoned that lightning is electricity. He performed his famous kite experiment to prove his hypothesis. Since lightning is electricity, since electricity is a natural phenomenon, it behaves in predictable ways. In consequence of these conclusions, he made the technological application — i. e., invented the

lightning rod.) My point is that when the scientist became identified with technology, he ceased largely to speak authoritatively about the nature of the universe and, instead, provided means for manipulating things within it. He ceased to provide information about an enduring reality, or rather, he no longer made available information which was understood in this way. The treatment of reality was left to the proponents of the "new reality."

Instruments of Reform

Not only were the sciences "instrumented," then, but also they provided the method by which social reform was to be undertaken. Lester Frank Ward was enamored of the analogy between the social and the physical, and he treated the analogy as if it were a one-to-one relationship. "The sociologist," he said, "who really believes there is such a science has a right to claim that all the social forces may be utilized as the physical ones have been. He classes those who maintain the contrary along with those who once believed that the thunders were only engines of destruction, the winds powers of evil, and the gases demoniacal spirits."³

³ Lester F. Ward, *Dynamic Sociology*, I (New York: D. Appleton and Co., 1920, 2 volumes), 43.

Ward's is the underlying pre-conception of contemporary ameliorative reform. It should be noted that several strange equations were made: science with technology, the physical with the social, things with people. Ward saw nothing untoward, at that point, in recommending that people be manipulated according to the prescriptions of sociologists, in the same manner as physical scientists prescribe the manipulation of things. Neither has many another reformer.

The Personification of History

Before examining further the import of the "new reality," however, it is in order to give some demonstrations to substantiate the assertion that these conceptions of change, society, and psyche are used in a metaphysic-like manner. What does it mean to treat change as if it were real? It means to treat it as if it were an entity, a being with properties, attributes, and characteristics. Actually, this has frequently been done with change by personifying (thingifying, reafying, anthropomorphizing) it as History.

Let us take a simple and not very significant example first. One often hears some such statement as this: History will decide whether so and so was a great President or not. This is palpable

nonsense. There is no such being as History to render any such decision. It may be objected that I am taking a figure of speech literally, that those who make such statements really mean that historians will decide whether or not someone was a great man. If this latter were indeed the meaning to be attached to the initial statement, it would make sense, but it would be in error. Historians do not assemble in a great parliament to render the final verdict upon the characters of the past (for which oversight we should all be grateful). If they were to do so, they would only be playing at being gods. Those who have insufficient knowledge about such matters may suppose that historians come to a consensus about important figures of the past. This is not really the case. Vigorous controversies still go on about figures in the most distant past. In short, there is no reality which conforms to the view that History reaches final decisions.

But there is much reason to suspect that this usage is derived from a much more serious personifying of history. The usage to which I refer is the treatment of history as force or as a vehicle for a number of forces. The conception involved is that the past shapes the future, that the past contains trends, movements, de-

developmental directions which act as forces upon the present and the future. These forces are thought of as acting ineluctably and inevitably to bring about certain developments.

The most famous of such theses was that of Karl Marx and Friedrich Engels, but the idea informs all reformist thought in the contemporary era. Progressivism is deeply imbued with the idea of history as a progressive force. It becomes apparent in such notions as the following: you can't turn back the clock; the latest is the best; it is necessary to adjust to changing times. Such words and phrases as the following, when they are used to refer to ideas, draw their sustenance from this view of history: reactionary, backlash, neanderthal, anachronistic, and so on.

Sir Isaiah Berlin says, "The notion that history obeys laws, whether natural or supernatural, that every event of human life is an element in a necessary pattern has deep metaphysical origins."⁴ The matter goes deeper than this, however. When history is dealt with as a being, it has itself become metaphysic-like. It has been made into a constituent part of underlying reality. If anyone objects

that the word "history" is only being employed as a metaphor, he should be ready to explain why we can't turn back the clock then. Surely, no metaphor would prevent it, or could cause all that has occurred. Whether History only stands for the forces or is itself the force is largely irrelevant. The forces themselves are treated by those who think in this way as metaphysic-like beings.

Is Society Real?

The second ingredient of the "new reality" is society. The belief in the reality of society was a precondition to the development of sociology, no doubt, and a continuing assumption of those who pursue the study. At any rate, that is the way it was and generally has been. But before going further with this analysis some distinctions should be made. There *are* social phenomena. Such phenomena include institutions, customs, traditions, folkways, habits, behavior patterns, and so on. Moreover, it may be descriptively useful to refer to those who share a preponderance of these as living in a society.

The development with which I wish to deal hinges, philosophically, upon whether society is a phenomenon or a noumenon. Or, somewhat more familiar language may be used in describing

⁴ Isaiah Berlin, *Historical Inevitability* (London: Oxford University Press, 1954), p. 13.

the basis upon which a distinction might be made: Is society an appearance or is it real? Is the word "society" a convenient designation for certain phenomena or does it refer to a real being in its own right? Do social phenomena stem from society or do they stem from people? Are individuals real or are they products (extensions) of society?

An Organic Whole

The above questions may make the development to be described clearer than it would otherwise be. My point is that thinkers began to treat society as if it were real. This does not mean that they explicitly treated it as a being distinct from those who were supposed to compose it. Lester Frank Ward said, "Society is simply a compound organism whose acts exhibit the resultant of all the individual forces which its members exert." Yet he went on to say, "These acts, whether individual or collective, obey fixed laws. Objectively viewed, society is a natural object, presenting a variety of complicated movements produced by a particular class of natural forces."⁵ But, one may ask, whence come these laws? Do they come from individuals? Strictly speaking, this would have to mean that individuals create

laws. This could not be, for such would not be laws.

Actually, Ward's confusion arose from the contradictory premises upon which he was operating. On the one hand he treated society as if it were real, spoke of social laws and forces, and worked to develop a sociology that would describe these laws of society.⁶ On the other, he wanted men to take over the direction of society and control the forces to desirable ends. For example, "The social forces only need to be investigated as the rest have been, in order to discover ways in which their utility can be demonstrated. Here is a vast field of true scientific exploitation as yet untracked. . . . To just what extent the present evil tendencies of society may be turned to good, under the management of truly enlightened legislation, it is impossible to predict."⁷ What does social force refer to, if not to men? And if they are forces acting upon men, how can men act upon and direct them?

Ward's thought lies athwart the path of two different modes of thought — the deterministic and melioristic — at the point of divergence. It was filled with the conclusions of nineteenth century deterministic thought — the talk of forces, progressive laws, social

⁶ See *ibid.*, pp. 1-2.

⁷ *Ibid.*, p. 43.

⁵ Ward, *Dynamic Sociology*, I, 35.

evolution—which were the intellectual currency of the time. He suggested the idea that mentality had evolved to the point that men could consciously guide further evolution. But his position was philosophically vague and internally contradictory.⁸ These contradictions have gone into reformist thought, for explanations have continued to be made in terms of social forces; whereas, reformers have exhorted their followers to conscious reformist efforts. Ward was the fount of this confusion.

Society was real to Ward, as it was to John Dewey, and as it has been to a host of other reformers. They speak of society as if it had a distinct being and use the word “social” as derived from it in this sense. The following usages by Ward, taken from the second volume of *Dynamic Sociology*, will illustrate the point. He refers to “social forces” (p. 161), “social progress” (p. 161), “social advancement” (p. 163), “the life of a society” (p. 163), “state of society” (p. 165), “protection of

society” (p. 214), “social growth” (p. 224), “will of society” (p. 230), “servant of society” (p. 242), “Society, possessed for the first time of a completely integrated consciousness” (p. 249), “agencies of society” (p. 250), “duty of society” (p. 251), “duties of society toward itself” (p. 467), “how to bring society to consciousness” (p. 467), “members of society” (p. 544), “superficiality of society” (p. 552), “the exclusive work of society” (p. 571), “the welfare of society” (p. 583), “responsible solely to society” (p. 589), “better for society” (p. 591) “society” as having “burden on its shoulders” (p. 595), and a “sphere prescribed by society” (p. 617). If phraseology be accepted as a good indication of underlying assumptions, and it should be, there should be no doubt that Lester Frank Ward believed in the reality of society.

John Dewey followed a similar pattern in his language. The following instances are taken from his *Problems of Men*.⁹ He refers to “socially necessary” (p. 32), “social control” (p. 35), “members of our society” (p. 37), “socially helpful” (p. 49), “social forces” (p. 52), “society” as “deprived of what they might contribute” (p. 61), “the interests and activities of a society” (p. 62),

⁸ Note his embroilment in the contradictions. “Although every act must in strict science be recognized as the resultant of all the forces, internal and external, acting upon the agent, still it remains true that achievement is the work of individuals thus acting. . . .” (Ward, *Pure Sociology*, p. 41.) With about as much sense, one may say: The spokes only turn when the wheel turns; still it is the spokes turning.

⁹ New York: Philosophical Library, 1946.

"social enterprise" (p. 76), "social pressure" (p. 85), "social breakdown" (p. 90), "social authority" (p. 94), "socially justified" (p. 101), "benefit to society" (p. 102), "social vacuum" (p. 104), "society . . . itself" (p. 131), "social power" (p. 132), "social knowledge" (p. 179), "social materials" (p. 180) "society" as "suffering" (p. 182), and "socially authorized" (p. 185). These are, of course, metaphysic-like usages. Such usage derives most of its meaning from the conception of society as an organism, which became common after the presentation of Darwinian evolution.

The Emphasis on Feelings

The third ingredient in the "new reality" was the psyche. More specifically, it was psychic phenomena thingified, made into positive active forces. Lester Frank Ward referred constantly to social forces. One may well wonder where these forces come from. They are operative in society, according to him, but they do not come from society. Instead, they arise from within men. Ward put it this way: "The motive of all action is feeling. All great movements in history are preceded and accompanied by strong feelings."¹⁰ Again, "Feeling alone can drive on the social train, whether

for weal or woe."¹¹ Moreover, "Egoism is the feeling which demands for self an increase of enjoyment and diminution of discomfort. Altruism is . . . a kind of feeling which results from the contemplation of suffering in others"¹²

Ward indicates in the following that feeling is his fundamental conception:

The root-idea to which I will here confine myself is the true supremacy which must be accorded in any just system of philosophy to the *feelings* as the real *end* toward which all efforts designed to secure the advancement of society must be directed. Although it is upon the intellect that we can alone rely to secure such a control of the social forces as shall successfully harmonize them with human advantage, it is feeling that must be alone consulted in determining what constitutes such advantage. Every true system must regard intellect as the means and feeling as the end of all its operations. . . .

The practical work which sociology demands is, when reduced to its lowest terms, *the organization of feeling*. The human body is a reservoir of feeling which, when wholly unobstructed, is all pleasurable.¹³

The concentration upon the psychological has led in many directions in the twentieth century.

¹¹ *Ibid.*, p. 12.

¹² *Ibid.*, p. 14.

¹³ *Ibid.*, pp. 67-68.

¹⁰ Ward, *Dynamic Sociology*, I, 11.

Some have followed Ward's lead in emphasizing the primacy of feeling. Need and desire have been virtually deified as realities by some writers. Others have focused upon motive as the most important area for knowledge and in terms of which to make explanations. Professional psychoanalysts have focused attention upon removing the obstructions to free expression and action. The arts and education fell under the spell of "self-expression." Many people came to believe that intention was more important than action.

Taken together, change, society, and the psyche provided a new conception of reality. The psyche provided the impetus, or force, society the framework within which and upon which the force was exerted, and history the plane upon which movement took place. This attributes greater clarity to these ideas than they have, however. By the early twentieth century, American thinkers were sloughing off the framework of natural (or social) law within which Ward cast his thought. They continued to use concepts, such as environmentalism, drawn from this framework but quite often without avowing it. The theoretical framework became much vaguer than it had been, even though this might not appear possible.

Most American reformist intel-

lectuals have adopted a pragmatic stance, disavowed conscious theory, and ostensibly acted in terms of each situation as it arose. They have not really done this, and it is doubtful whether anyone could. They have, instead, acted on the basis of assumptions and ideologies. Both of these are founded, insofar as they *are* founded, in the "new reality." Men who have no theory, metaphysics, or principles generally act upon the basis of the fag ends of those they picked up unawares.

Constantly Changing

The most important feature of this new reality is that it is constantly changing. Change is embedded in it as one of its constituents. The other constituents change, too. Few things can be more readily demonstrated than that social structures are greatly altered during the passage of time. As for the psyche, it is the root or origin of important changes, according to the above formulation. It is a force for change. There was an article of faith that reformers brought to the new conception of reality, namely, that it is *changeable*. The point of Ward's work was to establish the proposition that social change can be consciously directed, that it can be *planned*.

He asserted it over and over

again, from a great variety of angles. He called the conscious planning of social action meliorism. "Now, meliorism," Ward said, "is a dynamic principle. It implies the improvement of the social condition through cold calculation. . . . It is not content merely to alleviate present suffering, it aims to create conditions under which no suffering can exist. It is ready even to sacrifice temporary enjoyment for greater future enjoyment — the pleasure of a few for that of the mass."¹⁴ He proposed that this should be accomplished by legislation. "Legislation (I use the term in its most general sense) is nothing else but social invention. It is an effort so to control the forces of a state as to secure the greatest benefits to its people."¹⁵ He admits that governments have usually made a mess in most of their interventions in society. But this has been occasioned, he declares, by the ignorance of those who made the laws heretofore. The science of sociology will change all this.

Before progressive legislation can become a success, every legislature must become, as it were, a polytechnic school, a laboratory of philosophical research into the laws of society and of human nature. No legislator is qualified to propose or vote

on measures designed to affect the destinies of millions of social units until he masters all that is known of the science of society. Every true legislator must be a sociologist. . . .¹⁶

The means by which the changes in society should be brought about, according to Ward, were social invention and collectivization. Social invention will be devoted to discovering ways of exercising social pressure by legislation for the good of society. "Social invention consists in making such adjustments as will induce men to act in the manner most advantageous to society."¹⁷ He did not hold with prohibitions and punishments as a rule. These things restrict the liberty of some of the people. "But the contention is that only the most obdurate offenders require to have their liberty restricted, since they, too, have wants, and the social inventor should devise means by which such wants shall be spontaneously satisfied through wholly innocuous or even socially beneficial action."¹⁸

These actions were to be taken by the collective action of the populace (whatever such ideas may mean). The great collective problem, Ward thought, was of the proper distribution of goods. "This is an exclusively social prob-

¹⁴ *Ibid.*, II, 468.

¹⁵ *Ibid.*, I, 36.

¹⁶ *Ibid.*, p. 37.

¹⁷ Ward, *Pure Sociology*, p. 569.

¹⁸ *Ibid.*, p. 570.

lem and can only be solved by social action. It is to-day the most important of all social problems, because its complete solution would accomplish nothing less than the abolition of poverty and want from society."¹⁹

¹⁹ *Ibid.*, p. 571.

The "new reality," then, was the metaphysic-like foundation for social reform. It was, to speak metaphorically, the space station built by intellectuals on their flight from reality from which to launch their reformist experiments upon the earth. ♦

The next article in this series will treat of "The New Creativity."



DANGER to a Free Press

JOHN C. MERRILL

ALTHOUGH isolated journalists, statesmen, and academicians had long toyed with the term "responsibility" as well as "freedom" for the mass media, it was not until 1947 when the Commission on Freedom of the Press (headed by Robert Hutchins) brought out its *A Free and Responsible Press* that the concept gained much of an ideological foothold in the United States. Earlier, it had somehow been assumed that re-

sponsibility was automatically built into a libertarian press; that a "free press" in the Western sense was responsible *per se* to its society.

But the Hutchins group thought differently. Noting what they called a clear danger in growing restriction of communications outlets and general irresponsibility in many areas of the press, the group offered this ominous warning: "If they (the agencies of mass communication) are irresponsible, not even the First Amendment will protect their

Dr. Merrill, Associate Professor of Journalism at the University of Missouri, offers, among others, a graduate course on "Basic Issues in the News."

freedom from governmental control. The amendment will be amended."

Since 1947 there has been growing discourse about the responsibility of the press and less and less about its freedom to react independently in a democratic society. Undoubtedly many would-be "definers" of responsible journalism are among us who are ready and willing to turn our press in a new direction: toward "consensus" journalism hewing to some predetermined line which the "responsibility" proponents see as progress.

What Is "Social Responsibility"?

At first it would seem rather strange that modern liberals are in the forefront of the "social responsibility" advocates and thus opposed to our traditional pluralistic press philosophy. However, when one thinks of their skepticism as to the value of the individual, it is not too difficult to see them projecting this rationale to the press. Just as "liberals" are opposed to "laissez faire" economics, they are also opposed to "laissez faire" journalism. Inevitably, if they have their way, the American press can expect a great amount of control in the name of "responsible journalism" and a minimum of individual publisher freedom.

The social responsibility "theory" implies a recognition by the media that they must perform a public service to warrant their existence. Facts must be reported accurately and in a meaningful context. Responsibility, instead of freedom, must be the watchword. Such thinking leads to the advocacy of a regulatory system designed to keep the press "socially responsible."

This so-called theory of social responsibility, seriously embraced in "liberal" circles, has a good ring to it and, like "love" and "motherhood," has an undeniable attraction for many. There is a trend throughout the world in this direction, which implies a suspicion of, and dissatisfaction with, the libertarianism of Milton, Locke, and even Jefferson. Implicit in this trend toward "social responsibility" is the argument that some group (obviously a governmental one, ultimately) can and must define or decide just *what* is socially responsible. Also, the implication is clear that publishers and journalists acting freely cannot determine what is socially responsible nearly as well as can some "outside" or "impartial" group. If this power elite decides that the press (or portions of it) is not responsible, not even the First Amendment will keep publishers from losing their freedom.

This would appear to many as a suggestion of increased power accumulation at the national level, a further restriction of a pluralistic society.

Government Supervision

Few would deny that the press, in one respect, would be more "responsible" if some type of governmental supervision came about; indeed, reporters could be kept from nosing about in "critical" areas during "critical" times. The amount of sensational material could be controlled in the press, or eliminated altogether. Government activities could always be supported and public policy could be pushed regularly. The press could be more "educational" in the sense that less hard news (crime, wrecks, disasters, and the like) would appear, while more news of art exhibits, concerts, speeches by government personages, and national progress in general could be emphasized. In short, the press would stress the positive and eliminate, or minimize, the negative. Then, with one voice, the press of the nation would be responsible to its society; and the definition of "responsible" would be functional—defined and carried out by the government.

Some persons may object to this line of analysis, saying that to

guarantee "social responsibility" of the press does not necessarily imply government control. It is not difficult, however, to project control ultimately to government, since if left to be defined by various publishers or journalistic groups the term "social responsibility" is relative and nebulous. It is obvious that in the traditional context of American libertarianism no "solution" that would be widely agreed upon or enforced could ever be reached by nongovernment groups or individuals.

Social responsibility proponents insist that government would intervene "only when the need is great and the stakes are high." They assure us that the government should not be heavy-handed. The question arises, however, as to just when is the need great enough and the stakes high enough for government to intervene. And just how much intervention by government is enough to be "heavy-handed"?

"Social Responsibility" Implies Pluralistic Communication

The American press has been proceeding on unregulated initiative up until now. But its "liberal" critics do not think that a pluralistic information system is good enough. Under the diversified system we now have—including much nonconformist journal-

ism — the citizen does get information and a wealth of it. Admittedly, there are gaps in it, but anyone vaguely familiar with information theory and semantics knows that there will always be gaps, and if different reporters observe and communicate it, there will always be variant versions.

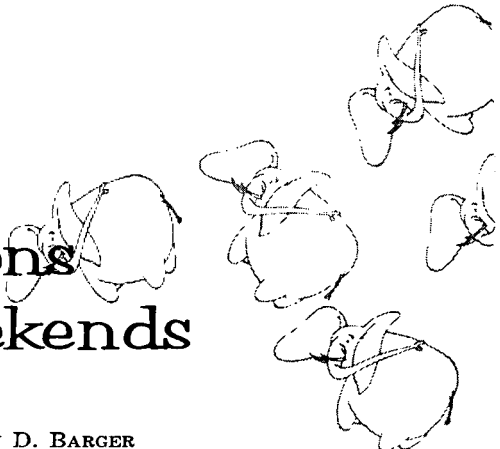
It is certainly not contended here that all information coming to the public from all mass media is reliable, honest, complete, fair, and “socially responsible” (whatever that means). Nobody really knows just how much of it is — or if any of it is. Since, in a nation such as the United States, there is no ready definition for “social responsibility,” there is really no standard to which our media seek to conform — even though, without a doubt, they would all conceive of themselves as “socially responsible.”

Their very pluralism — their very diversity — is the base of their nebulous idea that in our society they *are* responsible. Re-

sponsibility to our society implies a continuance of this very pluralistic communication, with all of its virtues and evils, and a constant guard against any encroachments by any group on any level to “define” what is “responsible,” thereby further aligning the press to its definition.

This “press pluralism” concept seems much sounder and certainly more meaningful, than “social responsibility.” All press systems can claim to be responsible to their societies, but the idea of a pluralistic media system injecting a variety of opinions and ideas into the social fabric is one which only the libertarian system can reasonably claim. The U.S. press should fight all attempts to cast all of its units in the same mold; the right of, or at least the possibility for, some press units to deviate from others must persist. If that be irresponsibility, we had better be content to continue living with it. ◆

More Lessons of Lost Weekends



MELVIN D. BARGER

IN MY FIRST FREEMAN article, "The Lessons of Lost Weekends" (March, 1961), I related my experiences as a recovered alcoholic to many of the social and economic conditions of the world. For example, I noted that the tippler's mistake is not unlike the error of those who see no harm in gradual doses of monetary inflation. The alcoholic's drinking starts with "taking only a few." He has no intention of letting it get out of hand, and he is more surprised than anybody when it does. In somewhat the same way, inflation begins rather innocently, but soon "hooks" its victims before they're aware of their danger. The same analogy was extended to other practices, such as deficit spending, foreign aid, and monetary controls.

As I review my article, four years later, I see no great weak-

nesses in the arguments made then. My modest conviction that the world is on a continuous bender of staggering proportions has, if anything, increased with the passing years. I am certain that a colossal "hangover" is waiting somewhere down the road. This causes me no joy, no hangover ever did. I hope I am wrong and that a miracle or some unexpected turn of events softens the blow or deflects it completely. But I suspect that in social affairs, as in alcoholism, the hangover is still a great unsolved problem.

In some ways, this concern over the drift of society became my own undoing, causing me to forget my own "lessons of lost weekends." I remain a grateful fugitive from John Barleycorn's house of bondage. But this is not to say that I have always behaved wisely or have avoided emotional benders. Some of these "benders" followed

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the publication of "Lost Week-ends."

A listing of some of these traps might be helpful to others. They may benefit the person who wishes to think clearly about the free market philosophy, and to champion it effectively, without being led down dead-end byways. At the same time, it's good to remember that alcohol is not equally pernicious to all men, and the same ideas that "hooked" me will not be equally dangerous to all. In any case, here they are:

Treating Symptoms as Causes.

One difficulty that attends the prevention or treatment of alcoholism is that many people try to stamp out the drinking custom itself rather than the underlying problems. National prohibition was an attempt of this sort, as is the practice of imposing harsh punishments on alcoholics. In the same vein, many well-intentioned people try to rehabilitate alcoholics by yanking them away from their drinking cronies. Such solutions usually fail because they focus on "effect" rather than "cause."

In the past few years, I may have made a similar error in fretting over means of changing disturbing social trends. My own knowledge of the nature of things tells me that the drift into increasing statism goes on because people

think in certain ways and entertain certain ideas very deeply. Until this thinking changes, in an entirely voluntary manner, it is all but impossible to stop the spread of statism. It is like trying to stop an out-of-control fire singlehandedly or trying to gather up the waters of a dam that is already breaking up. This can be justified on the grounds that "we have an obligation to *do something*, to take action, not just to sit and let disaster happen!" The result can be an emotional bender of considerable dimensions, in which we fight a savage battle against effects long after the cause is lost for the time being.

Personalities before Principles.

Another characteristic of the alcoholic's life in the shadowy bar-room circuit is that he tends to think in terms of "personalities" rather than "principles." He forgives all things in those he likes (his drinking buddies, for example) and condemns all things in those he hates. *Who* is right is always more important, to this person, than *what* is right. It is said that alcoholics, as a group, are more or less emotionally immature, and nothing proves it more than this tendency to think largely in terms of personalities.

In the arena of social controversy and strife, this matter of

putting "personalities before principles" is becoming a disconcerting and ugly thing. No political faction seems to be immune from it. And I found myself drinking the same heady juices as I read the literature on "both sides" and came to identify certain positions with specific individuals. Before long, I had formed lists of "good guys" and "bad guys" in my own mind. This did not help make me an effective advocate of free market ideas; if anything, it inhibited good thinking.

It's quite true that I still share most of the views of those whom I identified as "good guys" and oppose the views of those I saw as "bad guys." But I owe it to the goddess of Truth to sympathize with the "good guys" only when I perceive that a worth-while principle is involved. There are times when the "bad guys" may be right on certain issues, and if one's thinking is based on principles which he believes to be sound, he'll know when these times are. He'll be standing on the rock of principle rather than on that shaky platform which, for want of a better term, we could easily label "personalities on the rocks."

Violence. The dismal world of alcoholism is often a violent one, and one of the hazards of being a bartender or simply an innocent

patron is the likelihood of getting caught up in a sudden fight or brawl. Even the most respectable saloons sometimes become the scenes of knockdown, drag-out matches. This is because people in their cups are prey to anger and frustration, and when other measures fail to solve a conflict or forestall a threat, they seize upon violent action as a last resort.

Today I see growing violence in the social order around me, and I can well understand how such things happen. Caught up in the vortex of concern over the drift of things, and being unable to take effective action against it, it was amazing how often I was tempted to think dark, even violent, thoughts about those whose policies I opposed. I joined no mobs, I wrote no hate letters, I mounted no soapboxes to denounce my opponents. But at the same time I found myself feeling occasional resentment or contempt toward those with whom I disagreed. Such malicious thinking is, of course, the source of violence. This is dangerous wine, indeed, and even a little of it produces an awful hangover. And like the wine of the drinking world, it never solves the problem.

Fear. One final malady that often caught me up was a growing sense of fear concerning the

future of our society, of life itself. On every hand, I saw institutions and ideas that seemed to threaten all that I cherished. On the world scene, for example, I saw militant communism making its way steadily and with the apparent cooperation of many men who professed good will. On the domestic scene, I sensed that there was apathy toward this menace as well as indifference to the essential injustice implicit in communism. At the same time, there was a growing materialism and cynicism that had weakened the moral fiber of many, and had left countless others with no real principles to live by.

Peering down the tunnel of time, I could see only eventual disaster. There were times when I felt real despair. Sometimes, for example, a magazine article would paint such a hopeless picture that it would leave me reeling with worry. At other times, a particularly arrogant and fatuous utterance by a high-placed government official would destroy what fragile confidence I had in our own leaders. I was, in a very real sense, terribly afraid.

Yet fear is no friend of freedom, and it has its role in "lost weekends." When the malady of alcoholism is thoroughly examined, fear is found to be the root illness. Fear drives men to the slavery of the bottle, and it is also fear that

keeps them in political bondage. In dangerous times, fearful men do not protect freedom, they throw it away. Fear put Hitler at the head of the German nation, and it's fear that keeps most of the world in servitude today. Any student of freedom has, as his first duty, the job of banishing fear from his own mind, heart, and soul.

I've released much of my fear today, though it's clear that the world conditions which caused me so much concern are getting worse, not better. Beyond the shadow of a doubt, mankind is in real trouble in a number of ways. Growing forms of strife seem to be the rule rather than the exception, the economic structure is shaky at its foundations and the world itself lives on the edge of instant holocaust.

But why should I fear these things, when I have lived through personal defeat and disaster that, in a small way, is certainly no less severe than the evils that might descend upon the earth on a grand scale? I survived the *inferno* of alcoholism, lived for years in the *purgatorio* of occasional loneliness and self-doubt, and finally moved into the *paradiso* of some self-knowledge and self-assurance. If the world passes through an *inferno*, I am convinced that there is a *purgatorio* and a *paradiso* on

the other side of the flames. I am also convinced, as I wasn't fully convinced in my hour of fear and alcoholism, that we are guarded by a Love, a Power, and an Intelligence able to see solutions that have not yet passed into our own field of vision. In short, I believe that the world and freedom and justice will be saved in God's own good time.

So I would urge my friends to share these additional "lessons of lost weekends." I would urge them to focus more on causes and less on effects, to think in terms of principles rather than personalities, to

think understandingly and tolerantly of all men, and to believe, above all, in a Supreme Justice and Love that knows no fear. They may be surrounded by people who think otherwise. But like the recovered alcoholic who must maintain his own equilibrium even when immersed in cocktail parties and liquor advertisements, they must know that they are on the right path and that someday they will shine as the sun in its strength. Sometimes they may be outvoted, and they may be temporarily in eclipse. But Truth was never established by a show of hands. ♦

IDEAS ON LIBERTY

Inflation During the French Revolution

THE JACOBINS' FINANCIAL POLICIES were guided exclusively by one principle: to employ everything for present satisfaction and not to worry at all about the future. The tomorrow did not count for them. Every day the public administration was conducted as if it were the last day. This was the characteristic feature of all the acts of the Revolution. This was also the secret of its astonishing duration. In a rich and powerful nation the daily squandering of the accumulated reserves of wealth provided an unexpected amount of resources.

The assignats — as long as they still retained a minimum of purchasing power — inundated the country in continually increasing quantities.

The prospect of bankruptcy did not even for a moment slow down the flood of new emissions. Their emission stopped only when the public absolutely refused to accept any sort of paper money.

RENE STOURM, *Les Finances de l'Ancien Régime et de la Revolution*, Paris 1885, II Vol., p. 388.

A GENERATION AGO there were many who could identify William Graham Sumner's "forgotten man." The "forgotten man" was the sober, hard-working, frugal middle-class citizen who patiently obeyed the law when the politicians fleeced him via taxes to pay for all manner of "humanitarian" schemes. When Franklin D. Roosevelt falsely identified Sumner's "forgotten man" with the reliefer who made no money and paid no taxes, he was quickly corrected in magazines like Mencken's *American Mercury*.

In recent years, however, it is Sumner himself who has become the "forgotten man." He has no real present-day successor at his own university of Yale, where the late Albert G. Keller and Maurice Davie once carried on in his name. It is doubtful that one in a thousand undergraduates today knows much about Sumner beyond the fact that he wrote *Folkways*, a book about the origins of human customs which has been taken to justify a complete relativism in the fields of ethics and politics. The *Folkways* misrepresents

Sumner, who was a stern moralist in economics and social theory and who was perhaps further away from the theory of "anything goes" than any other publicist of the late nineteenth century.

Because of the misrepresentation and neglect of this "forgotten man" who pioneered the study of sociology in the United States, it is good to welcome Murray Polner's selection from Sumner's speeches and magazine articles that is published as *The Conquest of the United States by Spain and Other Essays* (Regnery, Gateway paperback, \$1.45). This little book is astoundingly alive, and students who encounter Sumner as a writer on social problems for the first time will be amazed to see how directly he speaks to our own era.

Sumner opposed what he took to be the U.S. adventure in imperialism in 1898, when we drove Spain out of Cuba, Puerto Rico, and the Philippines. Since he was aiming his shafts at people who really wanted our country to become a colonial power in the exploitative mold of Great Britain, France, Germany, and Spain it-

self, his essay on the "conquest of the United States by Spain" was relevant to its time and place. His peroration to this essay has a glorious ring. "My patriotism," he wrote, "is of the kind which is outraged by the notion that the United States never was a great nation until in a petty three months' campaign it knocked to pieces a poor, decrepit, bankrupt old state like Spain. To hold such an opinion as that is to abandon all American standards, to put shame and scorn on all that our ancestors tried to build up here, and to go over to the standards of which Spain is a representative."

The True Causes of Decay

In the course of time the U.S. decided that Sumner was right in his excoriation of imperialism. We restored Cuba to its own politicians, we freed the Philippines, and we permitted the Puerto Ricans their own choice of government under a loose arrangement that ties them to Washington no more onerously than Canadians and Australians are tied to London. Sumner would have been pleased by this development, though he would probably be startled to see what a mess Fidel Castro has made of Cuba.

Sumner was not a particularly good prophet when he argued that our militaristic spree of 1898

would turn us into a France, a Germany, or a Spain. If the "old American republic" which Sumner defended has collapsed, it is for many reasons other than our indulgence in a three-months war that was fought, after all, by a volunteer army and navy. Real militarism in America didn't start until the draft was made compulsory in World War I. However, in other essays that are reprinted in Murray Polner's volume, Sumner hits accurately at all the true causes of decay. Such essays as "Discipline," "Legislation by Clamor," "The Absurd Effort to Make the World Over," "War," "Economics and Politics," and "Advancing Social and Political Organization in the United States" abound in truly profound prophetic insights.

The Academic World

In "Discipline" Sumner takes a poke at his own academic colleagues for failing to see that "the academic world is a little community by itself in which the great natural forces which bind older men to sobriety and wisdom act only imperfectly." The man who is "trained in chemistry," Sumner said, "will become a strict analyst . . . but he will be likely also to rest content with this destructive work. . . . The man who is trained on history will be quick to discern

continuity of force or law . . . but he will be content with broad phases . . . and will not be a strict analyst. . . . The man who is trained on mathematics will have great power of grasping purely conceptual relations . . . but he will be likely to fasten upon a subordinate factor in some other type of problem. . . . The man who is trained on the science of language approaches the continuity . . . of history with a guiding thread in his hand . . . but the study of language . . . always threatens to degenerate into a cram of grammatical niceties and a fastidiousness about expression, under which the contents are forgotten."

In recent years Sumner's listing of the defects of academic qualities has become all too obvious. Great scientists and mathematicians (Linus Pauling, Bertrand Russell, even Einstein) have talked enough nonsense about politics to fill the shelves of the British Museum. Historians who grasped the threat of Fascism have failed to trace its ancestry to Bolshevik variations on Marxist philosophy. And academicians of all types do not seem to know the difference between a true law, a hypothetical theory, and an ingenious assumption. To use Sumner's phrase, "they would put a saving clause in the multiplication table."

The lack of academic common sense has produced our modern political economy of perpetual inflation, which has been sanctioned by economists who come properly under the heading of men "trained on history" who are "quick to discern continuity of force . . . but will not be strict analysts."

The Prophetic View

Sumner knew what was coming, all right; he said "the next generations are going to see war and social calamities." In the essay on "The Conquest of the United States by Spain" he remarked that "the field for dogmatism in our day is not theology, it is political philosophy." In his essay on "War" he prophesied that the "race difference" in our Southern States "may prove worse and more fatal to the internal integrity of the peace-group than such old antagonisms of interest as disturb Ireland, the national antagonisms which agitate Austria-Hungary, or the religious antagonisms which distract Belgium. . . . No one has yet found any way in which two races, far apart in blood and culture, can be amalgamated into one society with satisfaction to both."

In the essay on "Economics and Politics," which was optimistic about the economic future but pessimistic about the political clash between doctrinaire democrats

and "plutocrats," Sumner let arrow after arrow of prophecy wing to the mark. "The discovery of the radio-active substances," he said, "may prove to be the greatest of all discoveries yet made by man." (This was uttered in 1905.) Attacking the Interstate Commerce Commission, he said "we are only at the beginning of . . . what has been written on that page headed 'Interstate Commerce.' . . . We know there is no commerce which is not, or may not at any moment become, interstate commerce." The New Dealers and the Great Socialists have since shown us how practically everything, from the drug store trade to a twenty-mile

intrastate commuting run, can be handled under the commerce clause of the Constitution. And as for recent political events, listen to Sumner as of 1905: "The unanimity of the vote proves nothing as to the convictions of congressmen . . . but only as to the excellence of the party discipline." And then there is the final stinger, again as of 1905: "The victorious party in an election is regarded as having conquered the country."

If you want wisdom and a guide to the future that is still ahead of us 55 years after Sumner's death, *The Conquest of the United States by Spain and Other Essays* is your book of the year. ♦

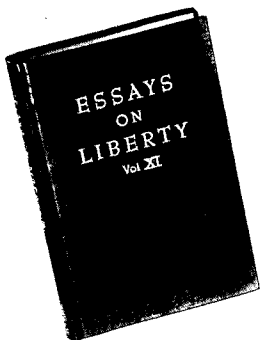
IDEAS ON LIBERTY

Force or Reason

DO YOU NOT SEE, first, that—as a mental abstract—physical force is directly opposed to morality; and, secondly, that it practically drives out of existence the moral forces? How can an act done under compulsion have any moral element in it, seeing that what is moral is the free act of an intelligent being? If you tie a man's hands there is nothing moral about his not committing murder. Such an abstaining from murder is a mechanical act; and just the same in kind, though less in degree, are all the acts which men are compelled to do under penalties imposed upon them by their fellow men. Those who would drive their fellow men into the performance of any good actions do not see that the very elements of morality—the free act following on the free choice—are as much absent in those upon whom they practice their legislation as in a flock of sheep penned in by hurdles. You cannot see too clearly that force and reason—which last is the essence of the moral act—are at the two opposite poles.

AUBERON HERBERT (1838-1906)

— ESSAYS ON LIBERTY —



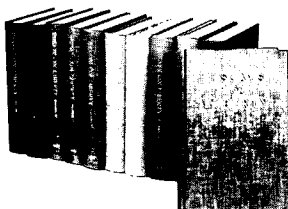
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Then the brutal struggle for existence is transformed into economic competition. Perfect economic competition is merely a system under which each individual finds it most advantageous to acquire by productive or serviceable effort of some kind, and so, in Adam Smith's words, "to promote the public good while trying to promote his own."

THOMAS NIXON CARVER, "Political Science: General Introduction," in *Lectures on the Harvard Classics*, Collier & Son, New York, 1914.

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